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U.S. Flexibility on Borders

Bush Urges Yugoslavs to Allow Observers

By Paul F. Horvitz
International Herald Tribune

WASHINGTON — The United States, condemning the use of force by Belgrade government troops, called Tuesday for peaceful and democratic dialogue in Yugoslavia — even if that meant changes in the internal and external borders of the Yugoslav federation.

President George Bush sent a letter to the Yugoslav president, Stipe Mesic, expressing "grave concern over the situation in the country and urging him to ensure that civilian control over the military is reestablished and peace restored," a White House spokesman said.

The spokesman, Marlin Fitzwater, said that Mr. Bush had urged Belgrade to accept a European Community offer of international cease-fire observers.

"The United States is prepared to endorse such a plan at tomorrow's emergency meeting in Prague of the Conference on Security and Cooperation in Europe," Mr. Fitzwater added.

The State Department said Tuesday that the latest enunciation of U.S. policy did not represent a shift. But the new emphasis on American willingness to see a newly configured Yugoslavia, if accomplished democratically and peacefully, suggested that U.S. officials were no longer focusing on ways to keep the federation whole.

"It is up to the Yugoslavian people themselves to determine their future, their internal, their external borders," the State Department spokeswoman, Margaret D. Tutwiler, said.

"We support the national aspirations of the people in Yugoslavia, and we are strongly opposed to the use of force," she said.

Miss Tutwiler also stressed that the United States continued to oppose unilateral actions by

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Battles Rage Across Slovenia

New Cease-Fire Is Attempted

By Chuck Sudetic
New York Times Service

LJUBLJANA, Yugoslavia — Fierce fighting between Slovene and federal Yugoslav forces spread across the breakaway republic Tuesday, portending a serious escalation of violence.

Late Tuesday, however, the Slovene and Yugoslav governments accepted a new cease-fire proposal by the chairman of Yugoslavia's collective presidency, Stipe Mesic, who is a Croat.

In Ljubljana, the capital of Slovenia, Mr. Mesic said he did not know whether the Yugoslav Army would comply with the truce.

In fact, there were some indications that a military coup might be imminent.

The Yugoslav Army's chief of staff, General Blagoje Adzic, a hard-line Serb who has been pushing for months for army intervention in the republics of Slovenia and Croatia, clearly warned on Belgrade television that the army would soon strike Slovenia.

"We have awakened too late," General Adzic said in a grainy voice. "We soon shall gain control and take things to their end."

"We have to accept that this means war and that there may be many victims," he said.

"There have been traitors in great numbers, mostly Slovenes," he charged. "Whole units have defected."

Mr. Mesic, who as chairman of the presidency is supreme military commander, said he had no knowledge of the general's intention to go on television. Asked if a coup was possible, Mr. Mesic answered, "There have been threats."

"You see me here, so I don't think a coup has become a reality," he said.

In the peace agreement worked out Tuesday night, Slovene leaders agreed, for the first time, to unconditionally withdraw barricades to allow army troops to return to their barracks.

News agencies reported:

Federal troops backed by tanks, air power and artillery battled Slovene forces in some of the most bitter fighting since Slovenia and Croatia declared independence a week ago.

After a day of battles, the Slovene president, Milan Kucan, announced that Slovenia was unilaterally halting hostilities.

He said the Slovene military forces would be returning to their barracks.

The Slovene leader invited members of the Crisis Management Committee of the Conference on Cooperation and Security in Europe, who are scheduled to meet in Prague on Wednesday to discuss the Yugoslav crisis, to travel to Ljubljana instead.

Shortly after General Adjic's warning on television, the Slovene information minister, Jelko Kacin, said the republic's leadership had agreed to "stop hostilities" on the sixth day of fighting.

General Adjic, the chief of staff, declared on Belgrade television: "We will force our opponents to respect the cease-fire and stop their arrogant acts. We will find those persons who are now hiding in their holes."

Warfare erupted last Thursday when the federal government sent troops to secure Slovenia's international border points, two days after the ruling nationalists declared independence from the six-republic multi-ethnic Yugoslav federation of 23 million people.

Slovene officials have put the total death toll at 63 people, includ-

See SLOVENES, Page 4

Peter Kujundzic/Reuters

A Yugoslav soldier showing a lot of careful attention Tuesday as he dismantled a mine on a highway near the town of Krsko. Slovenes have planted mines to stop federal tanks and other armored vehicles.

At Dawn, Death on A Road

Grenades Slam Federal Vehicles

By Blaine Harden
Washington Post Service

VELIKA VAS, Yugoslavia — The shooting on Highway E-70 started shortly after dawn. Within minutes, 3 of the 12 Yugoslav Army armored personnel carriers that had been stranded for six days in southern Slovenia were hit by rocket-propelled grenades. A fourth was ripped opened and set afire by an anti-tank shell.

Two soldiers were killed. One burned to death and the second died of a head wound. Three others were badly wounded and trapped for hours inside their vehicles, sitting in pools of blood.

Hundreds of Slovene Territorial Defense forces were positioned all around them in the thick forest called Krakovski Gozd.

"We radioed for air help," said Corporal Nebojsa Jankovic, 20, a soldier in the 580th Mechanized Artillery Battalion. Tuesday morning, he recalled, he was in an armored vehicle when a shell blew the head off the soldier next to him.

"Our warplanes came here within half an hour and they the militia had to back away. The planes opened fire with cannon, shooting in the forest to the left and to the right."

By midday, the Slovene forces had scurried from the forest, apparently in a great hurry. They left sandwiches and juice on the porch of the nearby farmhouse they had commandeered a day earlier.

Slovene television reported a total of six soldiers dead near the road.

On Highway E-70, the army still had no place to go. Forward and rear, rows of transport trucks were wedged across the two-lane road. There was no way to evacuate the wounded, who sat moaning inside their vehicles for nearly eight hours. Finally, they were pulled out and carried away in green blankets.

The army persuaded foreign journalists, who arrived here at noon, to take the wounded to hospitals.

The highway shoot-out came as Slovenia, which declared its independence a week ago, continued a war of nerves, press releases and armed attack against the Yugoslav Army. The army, in turn, moved with a column of 24 tanks to move north into Slovenia to rescue the vehicles stuck here.

Last week, the army tried and failed to force this republic of 2 million people to rescind its declaration of independence. Since then, about 2,000 of its soldiers and offi-

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Japan Plans G-7 Arms Control Offer

By T.R. Reid
Washington Post Service

TOKYO — Seeking ways to export its pacifist principles, Japan will propose an ambitious new system for disclosing and keeping records of international arms sales when the Group of Seven leading industrialized democracies meet in London from July 15 to 17.

Prime Minister Toshiki Kaifu will ask his fellow heads of state to endorse a plan that would establish a public registry of conventional weapons sales to be maintained by the United Nations, foreign policy officials here said Tuesday.

His proposal is expected to be popular across a wide political spectrum here because it would permit Japan to take a leading role on a matter of international political concern without compromising its aversion to military endeavors.

Since the end of the Gulf war, Mr. Kaifu has been advocating greater "transparency" in arms sales.

"The problem we keep talking about," said a senior diplomatic policymaker, "is whether it's possible to be a global power when you don't have military power.

"The current idea is, maybe one way we can do that is by playing a leading role in arms control."

But whether the Japanese proposal will win support at the G-7 summit meeting is another question. Most of the other nations taking part in the conference are major sellers of arms and have not been receptive to earlier proposals for international controls.

Since it is illegal to export arms here, weaponry is one of the few categories of manufactured goods that Japan does not sell abroad. But Japanese firms make many of the high-tech components that go into modern arms.

The Kyoto-based ceramics company Kyocera, for example, is the leading producer of ceramic housing used to make radiation-proof microchips. The chief application for such shielded chips is in military equipment.

The Japanese officials serving among the "sherpas" — the term used to designate staff assistants at summit conferences — who are now preparing the summit agenda have been instructed to push hard for the conventional arms sale disclosure system. But senior Japanese officials say their hopes for success are not high.

"We don't know is this will end up in the final communiqué," a Foreign Ministry official said. "It may be too ambitious to expect success the first time."

The target of Japan's new plan is the multi-billion-dollar annual trade in conventional weaponry. The Soviet Union, the United States, France and Britain, in that order, are estimated to be the leading arms exporters. The top buyer, by most estimates, is India,

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Michel Euler/The Associated Press

Yugoslav soldiers running for cover Tuesday during a skirmish with Slovene militia forces.

Judge Thomas: In Some Ways, a Mystery

By Linda Greenhouse
New York Times Service

WASHINGTON — Clarence Thomas, who at age 43 is barely half the age of the man whose Supreme Court seat he has been named to fill, came of age in the world that Thurgood Marshall helped create.

Now the question is to what extent, if he is confirmed, Judge Thomas would add weight to the court's new majority that appears willing, even eager, to dismantle important parts of the legacy that Justice Marshall helped to build.

While not much is known about Judge Thomas's views on most issues likely to come before the court, he has made clear his opposition to affirmative action and to policies that can be viewed as incorporating quotas or racial preferences.

In his year as a federal appeals court judge, he has not had occasion to rule on affirmative action, but he has long been outspoken in taking the position that such government programs are not only unwise but also unconstitutional.

But in other respects this nomi-

NEWS ANALYSIS

nation is very much a wild card for both the conservatives, who jumped instantly to embrace it, and for the liberals, whose responses ranged from cautious to hostile.

His views on other major issues before the court, including abortion, church-state relations and the definition of constitutional due process, are unknown, and they may well remain so through a confirmation process that may be contentious but that in the end is not likely to derail the nomination.

Judge Thomas attended Roman Catholic schools through college and studied for the priesthood in two seminaries. Although the Catholic Church vigorously opposes abortion, Judge Thomas has apparently never taken a public position on abortion or on the dimensions of the constitutional right to privacy, on which the right to abortion was based.

His position on affirmative action is probably sufficient to shift the court's direction, since the court remains closely divided. "My opposition to preferences and quotas not only is a constitutional, legal opposition, it has been a moral, ethical opposition," he said five years ago at a conference sponsored by the Anti-Defamation League of B'nai B'rith.

In its most recent affirmative action decision, a year ago, the court split 5 to 4 in upholding a Federal Communications Commission policy that gives preference to blacks and members of other minorities in acquiring some radio and television licenses.

Justice William J. Brennan Jr. wrote that decision a few weeks before he retired from the court. Justice Marshall joined it. The views of Justice David H. Souter, Justice Brennan's successor, remain largely unknown, because the court did not have an affirmative action case in the term that just ended.

Judge Thomas's views on the other major issues remain unknown, although the 1990 confirmation hearing for his seat on the U.S. Circuit Court of Appeals for

See JUDGE, Page 2

Airlines Back on the Way Up

By Tom Redburn
International Herald Tribune

PARIS — Airline traffic is rising sharply after the disastrous downdraft that hit the already weakened industry during the Gulf war, but it still has a way to go to catch up with last year's performance, the head of the International Air Transport Association said Tuesday.

"I cannot talk about 'light at the end of the tunnel,' " the IATA director-general, Günter Eser, said Tuesday in a telephone interview from Geneva. "Perhaps a small lifting of the shadows would be the right expression."

After a drop of 14 percent during the first three months of 1991 compared with the same period a year earlier, May airline business among IATA's 200 members was off only about 5 percent from the year before.

Several leading airlines were somewhat more optimistic, however, suggesting that the industry's worst traumas may be largely behind it.

"We are starting to climb out of the bottom of the pit," said Allan Solloway, a spokesman for British Airways in London. "There is still an awful long way to go, but the situation is improving a little quicker than we thought it would."

British Airways, after plunging by 30 percent in March, says its May traffic was only 3.8 percent behind last year.

"As far as we're concerned, things are looking better," Mr. Solloway said.

The recent improvements in air travel, considered one of the most reliable indicators of future economic trends, support other evidence that the world economy, led by a U.S. rebound, is just starting to emerge from the doldrums.

UAL Corp., which owns United Airlines, the second leading U.S. carrier, chalked up a 14.9 percent gain in May, a sharp improvement over an April advance of 9.4 percent and a turnaround from the back-to-back declines in February and March.

John C. Pope, UAL's chief financial officer, said that in May "United posted its first double-digit traffic increase this year." He added: "The May results reflect strength in domestic leisure traffic and in the overall international operations."

United, like AMR Corp.'s American Airlines, the leading U.S. carrier, has recently expanded its trans-Atlantic operations, taking over Pan American World Airway's routes operating out of London's Heathrow airport.

American acquired several of TWA's routes.

Last May, United was operating only 14 weekly trans-Atlantic flights. It is now flying 68 times a week from U.S. gateways to Europe.

"We're quite encouraged by the acceleration in

See FLY, Page 14

Kiosk

U.S. to Seoul: No Nuclear Shift

WASHINGTON (WP) — The United States informed Seoul on Tuesday that it would not accede to a plan to bring the North Korean nuclear program under control by changing the U.S. nuclear weapons posture in South Korea, according to official sources.

Secretary of State James A. Baker 3d made the U.S. views known in a meeting with officials accompanying President Roh Tae Woo on the first full-fledged state visit by a South Korean leader in a quarter-century.

In a White House meeting, both President George Bush and Mr. Roh expressed concern about the North Korean nuclear developments, which U.S. officials have described as the most serious security problem facing East Asia.

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Nelson Mandela told an ANC meeting that the group would seek to form a government of national unity. Page 2.

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U.S. factory orders surged in May, providing further evidence of recovery. Page 13.

Dow Close
Up 14.31
2,972.72

The Dollar in New York

DM	1.8344
Pound	1.603
Yen	138.77
FF	6.2125

Gorbachev Takes a Soft Line

Shevardnadze's Party Is Welcomed as 'A Positive Fact'

By Francis X. Clines
New York Times Service

MOSCOW — President Mikhail S. Gorbachev offered words of welcome Tuesday to the new opposition political movement founded by some veterans of his Kremlin team, with his spokesman saying that the new party "inspires cooperation" from supporters of Mr. Gorbachev's renewal program.

The new Democratic Reform Movement "can only be welcomed" provided it lives up to its nondivisive premise, said the spokesman, Vitali N. Ignatenko. He said that that by stressing cooperation and social accord rather than confrontation, the movement was "a positive fact."

The brief comments at the Foreign Ministry only further teased the question of where Mr. Gorbachev stands personally in regard to the new movement's attempt to build a balance to the Communists and whether he might some day carry out his threat to quit as leader of the Communist Party.

"Gorbachev will remain leader of the Communist Party as long as he considers it necessary," Mr. Ignatenko said in denying that the Soviet leader intended to quit the post.

He said that Mr. Gorbachev, with long-standing ties to several of the new movement's founders, was aware of the progress of the opposition plan in recent weeks.

"He knew what ideas these comrades had because he had regular business dealings with the people," Mr. Ignatenko said. "But he could not be an adviser."

The organizers of the new group are beginning their task of building a nationwide challenge to the Communist Party, an enormous organizing and proselytizing task among a weary public steeped in broken political promise.

"At the first stage, some amorphousness is inevitable," said Mayor Anatoli A. Sobchak of Leningrad, one of the founders.

He spoke at an inaugural press conference at the Moscow City Hall, where he and other organizers stressed that the Soviet Union could afford no further delay in constructing a democratic party to stand against the Communists nationwide.

Former Foreign Minister Eduard A. Shevardnadze, who quit the Gorbachev team last winter with a warning about the threat of dictatorship, said, "Such a threat exists in reality." He said one purpose of the new movement was to prevent a return to that past.

As the movement's organizers attempted to field questions about the difficulties of uniting the quarrelsome Soviet opposition factions, Alexander N. Yakovlev, for years one of Mr. Gorbachev's closest ad-

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Trevor Samson/Agence France-Presse

The ANC president, Oliver Tambo, and his wife, Adelaide, arriving Tuesday at the conference.

Mandela Sets ANC on Course To Form Interim Government

By David B. Ottaway
Washington Post Service

DURBAN, South Africa — Nelson Mandela, deputy president of the African National Congress, indicated Tuesday that his group was about to resume negotiations with the South African government and said it would seek to form an interim "government of national unity" to end white minority rule even before agreement is reached on a nonracial constitution.

Opening the ANC's first national conference held inside the country in 32 years, Mr. Mandela told the 2,000 delegates that an all-party congress to begin the negotiating process would be held "sooner rather than later" and called upon them to adopt clearly defined tactics and strategies to deal with the forthcoming challenge of negotiation "with some urgency."

The ANC, South Africa's main black nationalist group, suspended its talks with President Frederik W. de Klerk on the peace process in May because of the escalating violence in the country, for which it largely blamed the government.

Although Mr. Mandela did not say specifically Tuesday that the ANC was ending its boycott of the talks immediately, he made clear that it would do so shortly.

The thrust of his 75-minute speech was that the ANC had to prepare itself quickly for negotiations and elections, and to become "the governing party" of the "new South Africa."

"They want us to speak with one consistent voice and put forward a clear vision," he said.

The conference brought together for the first time the various ideological and political factions of the ANC from inside and outside the country.

The five-day meeting, held on the campus of the country's only Indian university, at Westville outside Durban, is to elect a new 90-member National Executive Committee to lead the ANC through the transitional period to a black-led majority government. It will also lay down the group's basic objectives and demands in the forthcoming constitutional talks with the de Klerk government.

Mr. Mandela warned the delegates, many of whom have questioned the wisdom of holding talks with the de Klerk government, that the ANC was entering "one of the most difficult, complex and challenging" periods in its 79-year history.

He gave Mr. de Klerk, who has led the process of liberalization, little credit for scrapping much of the apartheid legislation over the last 16 months. He told his audience that the ANC was dealing with "a regime steeped in a culture of racism, violence and domination" and with white politicians who did not want "to negotiate themselves out of power."

Mr. Mandela said that one objective of holding an all-party congress, now the agreed first step in the negotiating process, was to establish an interim government "broadly acceptable" to the country's main political groups.

"It will take on the character of a transitional government of national unity," he said. "Once this government is formed, we will have reached the situation whereby, for the first time this century, South Africa will cease to be ruled by a white minority regime."

The ANC, he said, will seek to gain some measure of control over the country's security forces in the transition period, with its military wing playing "a vital role." The de Klerk government has rejected any role for the ANC's military in the security forces until after a new constitution is negotiated.

He also suggested for the first time that the international community might have a role to play in the transitional period to help expedite the process of negotiations. However, he gave no indication what he thought this role might be.

Mr. Mandela, 72, who is expected to be elected ANC president to succeed Oliver Tambo, defended his organization's close alliance with the South African Communist Party, saying to the applause of delegates that the ANC considered it "a firm and dependable ally."

He told South African and Western detractors of the ANC's alliance with the Communists that they should "outgrow the pathological anti-communism of the period of the Cold War, stop the red-baiting and live up to the commitment they all express in favor of a multiparty democracy."

Earlier, Mr. Tambo, 73, who has served as ANC president since 1963, delivered what was probably his last formal address to the group.

He suffered a stroke two years ago and was hardly able to finish his speech, which lasted 70 minutes. He indicated that he was stepping down, expressing the hope that Mr. Mandela would be as well treated as president as he had been over the years.

Multiparty Plan for Ethiopia

Independence-Minded Eritreans Said to Be Won Over

Compiled by Our Staff From Dispatches

ADDIS ABABA, Ethiopia — The interim government formally presented its plans for a multiparty system on Tuesday amid reports that independence-seeking Eritreans had agreed to cooperate with it.

The second day of a national conference on Ethiopia's transitional government opened with the formal presentation by the Ethiopian People's Revolutionary Democratic Front of a draft government charter.

The main points, on human rights, regional autonomy and the composition of a transitional government leading to national elections, gained broad acceptance, delegates said.

"The overthrow of the military dictatorship," the four-point document said, "presents a historical moment, providing the peoples of Ethiopia with the opportunity to restructure the state democratically."

The conference on arranging a broad-based transitional government is the outcome of a pledge made at U.S.-brokered peace talks in London, which ended May 28 with the front's takeover of Addis Ababa.

Twenty-five political factions are in Addis Ababa now hammering out the agreement on the country's future. They will have to overcome the traditional fears of Ethiopia's many ethnic groups of being dominated by any single tribal or political organization.

The Eritrean People's Liberation Front, the second-largest rebel group, which is seeking independence for Eritrea, has declined to participate in a national transitional government. Its delegation claims observer status at the conference but has been active in behind-the-scenes deliberations.

The Eritrean rebels have their own provisional government in their northern province, the region that provides Ethiopia with its only outlets to the Red Sea.

Before the conference began, a back room understanding had been struck that reportedly supported Eritrea's desire to conduct an independence referendum in two years supervised by the United Nations.

In return, Eritrea promised to give Ethiopia access to the Red Sea port of Assab and to continue economic and other ties.

Assab handles 70 percent of Ethiopia's imports and exports and is a vital gateway for food and other emergency supplies for the country's 7 million victims of drought, war and famine.

The charter proposed by the people's front calls for an 87-member National Assembly to be named by the conference. The assembly would elect a president, who would appoint a prime minister.

The prime minister, in turn, would appoint a council of ministers, or cabinet, subject to approval by the National Assembly.

The assembly would draft the constitution, and elections for a new president and assembly would be held in two years.

The United States, the United Nations, the European Community, the Organization of African Unity and 13 other nations, including the Soviet Union, also sent delegations to the talks, which were expected to end Wednesday or Thursday. *(AP, Reuters)*

Mourning Romania's Jews

At Long-Delayed Memorial, New Warnings on Bigotry

By Henry Kamm
New York Times Service

BUCHAREST — For the first time, half a century after the event, the enormity of the killing of more than half of Romania's 750,000 Jews by Germans, Hungarians and Romanians was told Monday for all Romanians to hear — their memory mourned by the government and a monument unveiled to their martyrdom.

Many of the speakers, particularly Elie Wiesel, the Nobel Peace Prize winner, who was born here and is the sole survivor in his family, warned against the current rebirth of anti-Semitism.

This sentiment, together with a broad range of extreme nationalist views, is finding many outlets in the country's newly free press and is usually met with only embarrassed silence by those who dislike it.

Until now, Romanians have been told by their Communist rulers that Germany and Hungary, with the help of some Romanian "fascists," killed hundreds of thousands of Romanians, including Jews. The fate of Romania's Jews, killed because they were Jews, was unacknowledged, although few other Romanian civilians died except in acts of war.

The facts, known elsewhere, were never acknowledged here: that a great number of Jewish men, women and children were killed in pogroms of a brutality that sometimes shocked even the Germans, pogroms carried out by the Romanian military and police. Or, the Jews worked, starved or froze to death in concentration camps established and run by Romanians.

As a result, many Romanians have professed unawareness that the killing of the Jews was also a Romanian matter.

"They were murdered twice," Chief Rabbi Moses Rosen said in an address in the ornate Choral Synagogue. He poured into it all the passion pent up in the years beginning with the Bucharest pogrom of January 1941 — a total of 400,000 deaths that could be spoken of only abroad or to Jewish audiences here.

"They were murdered in the Holocaust of the Jewish people, and we were forbidden to weep for our dead," said the rabbi, 78.

The ceremony on Monday had the blessing of the government of President Ion Iliescu and Prime Minister Petre Roman, although neither attended. Mr. Iliescu had agreed to speak, but he and Mr. Roman went to Prague for the final meeting of the Warsaw Pact.

Both sent messages of sympathy through senior associates, and Mr. Iliescu had a wreath placed at the monument in the synagogue's forecourt. Several cabinet members attended, and the head of the governing National Salvation Front, Ion Aurel Stoica, spoke, calling the fate of the Jews "a tragedy for the whole Romanian people."

Rabbi Rosen drew gasps followed by ringing applause for the candor with which he condemned the government's inaction in the face of open anti-Semitism. He said he had told Mr. Iliescu and Mr. Roman that there was an atmosphere of "terror and fear."

"You can't fight fascism with fear," he said he had told them. "This is the time of truth." He demanded that people here be told of the full Romanian role in the killing of the Jews and denounced the recent rehabilitation of Marshal Ion Antonescu, the wartime leader and ally of Hitler, who was executed as a war criminal.

"The government is afraid, I'm sorry to say," he said. "It can be fatal to a young democracy."

The rabbi said that in recent days, the lower house of Romania's legislature had struck the word "anti-Semitism" from the draft of a police law that would bar "racism, anti-Semitism, fascism and xenophobia." The Romanian Senate has restored it, he said, but the lower house has not acted a second time.

The monument, unveiled with patriotic music by a military band, is a stark bronze candelabra posed on a block of marble, whose inscription specifies that 400,000 Jews fell victim to "German, Romanian and Hungarian fascists."

Along a wall flanking the forecourt, separate tablets were put up listing the various places of death and the numbers of those killed. Mr. Wiesel unveiled the plaque commemorating the 130,000 Jews of his native northern Transylvania, which Hitler detached from Romania in 1940 and incorporated into Hungary.

Mr. Wiesel said he had come because Mr. Rosen had told him of the new wave of anti-Semitism.

"I address my words to the leaders of this country," he said. "I hope you know that your representatives have great difficulties in the world to mobilize sympathy, political and economic support for your country. Your image is not the best. You must know that.

"You must know that unless these anti-Semites are shamed in society, you will suffer. You will be isolated. The world is following this with astonishment, dismay and outrage."

WORLD BRIEFS

START Talks Produce No Progress

WASHINGTON (Reuters) — The United States and the Soviet Union failed to resolve any of their three outstanding disagreements on the Strategic Arms Reduction Treaty after another round of intensive talks in Geneva, the State Department said Tuesday.

Margaret D. Tutwiler, the State Department spokeswoman, said that the chief U.S. negotiator, Reginald Bartholomew, was on his way back to Washington from Geneva to report to Secretary of State James A. Baker 3d on his week of talks.

Agreement on START, as the treaty is known, is the last remaining obstacle to a summit meeting between Presidents George Bush and Mikhail S. Gorbachev. But hopes of holding the meeting this month are fading as the negotiations over START drag on. The treaty will cut superpower arsenals of long-range nuclear weapons by about a third.

Lebanon Reports Rout of PLO Force

BEIRUT (NYT) — The Lebanese Ministry of Defense said its army routed Palestinian guerrillas in southern Lebanon on Tuesday, seized their main bases, confiscated arms depots and pushed them into two refugee camps in the port city of Sidon after a daylong battle in which tanks, artillery and rocket launchers were used.

The minister of defense, Michel Murr, elated by what he regarded as a major turn of events, called it a sweeping victory. In a message to the soldiers, he called them heroes and congratulated them on a job well done.

The offensive, which began at daybreak, was swift, and the 6,000 troops involved were said to have suffered light casualties. According to the ministry, two lieutenants were killed and 12 soldiers wounded. A PLO spokesman said 15 guerrillas had died and 25 had been wounded.

Algerian Army Seizes Arms Caches

ALGIERS (AP) — The army said Tuesday that it had seized weapons caches at several mosques, and it reported four deaths, 44 injuries and 340 arrests in the latest clashes with Muslim fundamentalists.

By official count, nearly 1,100 people, including the two senior leaders of the fundamentalist Islamic Salvation Front, have been arrested in a three-day crackdown on anti-government protests and agitation.

A military communiqué said that rifles, pistols and ammunition had been found at four mosques in different communities. During the preceding 24 hours, it said, a soldier and three civilians had been killed. Since early June, more than 40 people have died in the unrest, and more than 350 have been injured.

France Says Iran Settlement Is Near

PARIS (Reuters) — Foreign Minister Ali Akbar Velayati of Iran flew to Paris on Tuesday, and French officials said that settlement of a $1 billion dispute that has dogged relations was close.

The officials said that Iran's deputy foreign minister, Mahmoud Vaezi, and François Scheer, secretary-general of the French Foreign Ministry, were still discussing the dispute but were expected to reach agreement.

A settlement was expected last week, but Mr. Velayati postponed a trip to Paris to let experts iron out remaining differences over repayment of a loan to France by the late shah and compensation claimed by French firms for contracts canceled after Iran's 1979 revolution. France has repaid two-thirds of the loan, but Iran is seeking $1 billion in interest.

Cameroon Said to Arrest Hundreds

YAOUNDE, Cameroon (Reuters) — Security forces in Cameroon have detained hundreds of young men in the port of Douala, the country's economic capital, to stop them from joining anti-government protests, opposition sources and residents said Tuesday.

More than 40 people have been killed in weeks of violent protests against the one-party government of President Paul Biya. The latest disturbances were triggered by Mr. Biya's refusal Friday to convene a national political conference sought by the opposition.

U.S. to Slow Europe Troop Pullout

WASHINGTON (AP) — The United States will withdraw more than 60,000 troops from Europe over the next 15 months but will fall short of its goal for withdrawals this year, the Pentagon announced Tuesday.

The Pentagon spokesman, Pete Williams, said that only 24,600 troops would be sent home by the end of the fiscal year, Sept. 30, 15,400 short of planned reductions. The bulk of U.S. forces are in Germany, with some in other North Atlantic Treaty Organization countries.

"We are simply not going to make the 40,000 reduction, because so many forces in Europe participated in Operations Desert Shield and Desert Storm," Mr. Williams said. About 20 percent of the U.S. troops sent to force Iraq out of Kuwait came from forces based in Europe.

For the Record

Ariel Sharon, the Israeli housing minister, laid the cornerstone to enlarge a West Bank Jewish settlement Tuesday and declared, "We will continue to build" in the occupied territories. His remark came a day after President George Bush criticized Israeli settlement building as counterproductive to peace and implored Israel to stop its policy of "settlement after settlement" on captured land.

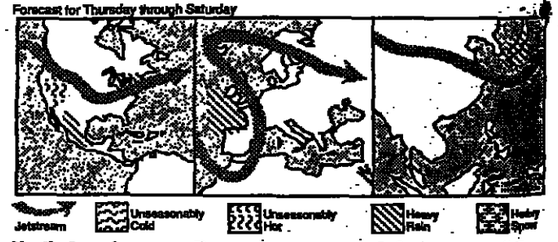
TRAVEL UPDATE

United Airlines plans to more than double its daily flights from Orlando, Florida, an increase that will put it in direct competition with Delta Air Lines and USAir there. United said it would increase it flights from 18 to 47 effective Oct. 31. *(NYT)*

American Airlines began flights out of London's Heathrow airport Tuesday. American, which formerly flew to Gatwick airport, is taking over Trans World Airlines's Heathrow routes in a $445 million deal struck after lengthy talks between the U.S. and British governments. *(AP)*

The Weather

Forecast for Thursday through Saturday



North America
There will be occasional showers and thunderstorms for the end of the week in portions of the Northeast, including New York City. Rather rainy weather, typical for this time of year, will prevail the next few days in Mexico City.

Europe
A storm over the Bay of Biscay will bring heavy rain to northwestern Spain and western France Thursday into Saturday. Southern England and northeastern France will be cloudy and cool. The Low Countries and Germany will have some sun.

Asia
In Japan, there may be heavy rain at times Thursday and Friday. From Beijing southward through the Philippines and Singapore, normal summertime heat and humidity will remain the rule along with a few thundery, hit-or-miss downpours.

Europe

	Today High	Today Low	Wx	Tomorrow High	Tomorrow Low	Wx
Algarve	24/75	17/62	pc	23/73	18/64	pc
Amsterdam	19/66	13/55	sh	22/71	14/57	pc
Athens	35/95	17/62	pc	27/80	17/62	pc
Barcelona	27/80	16/61	pc	27/80	17/62	pc
Belgrade	24/75	13/55	t	26/79	14/57	pc
Berlin	24/75	14/57	pc	26/79	16/61	pc
Brussels	20/68	15/59	t	23/73	16/61	pc
Budapest	22/71	14/57	pc	23/73	16/61	pc
Copenhagen	21/70	13/55	pc	26/82	14/57	s
Costa Del Sol	32/89	17/62	s	32/89	17/62	s
Dublin	20/68	12/53	c	20/68	13/55	pc
Edinburgh	19/66	11/52	c	18/64	13/55	c
Florence	29/84	18/64	pc	31/88	18/64	pc
Frankfurt	21/70	12/53	pc	23/73	13/55	pc
Geneva	23/73	14/57	pc	27/80	15/59	pc
Helsinki	25/77	15/61	s	24/75	18/64	s
Las Palmas	26/79	18/64	pc	24/75	19/66	pc
Leningrad	27/80	14/57	s	24/75	13/55	pc
Lisbon	24/75	15/59	pc	23/73	18/64	pc
London	18/64	13/55	c	21/70	14/57	pc
Madrid	29/84	14/57	s	28/82	15/61	pc
Milan	28/82	17/62	pc	31/88	18/64	pc
Moscow	27/80	12/53	sh	25/77	11/52	pc
Munich	21/70	12/53	pc	24/75	13/55	pc
Nice	28/82	17/62	pc	29/84	18/64	pc
Oslo	14/57	13/55	pc	18/64	13/53	s
Paris	22/71	14/57	sh	24/75	14/57	pc
Prague	23/73	16/61	pc	24/75	16/61	pc
Reykjavik	14/57	7/44	pc	14/57	7/44	pc
Rome	28/82	16/61	s	29/84	17/62	s
Stockholm	18/64	10/50	s	21/70	11/52	s
Strasbourg	21/70	13/55	pc	24/75	14/57	pc
Venice	29/84	18/64	pc	31/88	19/66	pc
Vienna	27/80	13/55	s	27/80	14/57	s
Warsaw	24/75	15/59	pc	25/77	16/61	pc
Zurich	23/73	15/59	pc	28/82	16/61	pc

Middle East

Ankara	33/73	11/52	t	33/73	12/53	t
Beirut	38/82	17/62	pc	29/84	18/64	pc
Cairo	38/82	22/71	pc	29/84	23/73	pc
Damascus	31/88	16/61	s	30/86	15/61	s
Istanbul	21/70	14/57	sh	21/70	15/59	t
Jerusalem	31/88	18/64	s	32/89	17/62	pc
Riyadh	43/109	27/80	s	43/109	29/79	s

Oceania

Auckland	17/62	9/48	pc	18/64	9/48	s
Sydney	21/70	8/46	s	21/70	10/50	s

Asia

	Today High	Today Low	Wx	Tomorrow High	Tomorrow Low	Wx
Bangkok	32/89	25/77	pc	33/91	25/77	pc
Beijing	32/89	21/70	t	33/91	22/71	t
Hong Kong	31/88	24/75	pc	31/88	25/77	pc
Manila	34/93	23/73	pc	33/91	24/75	pc
New Delhi	41/106	28/82	s	41/106	29/84	s
Seoul	27/80	21/70	sh	27/80	22/71	pc
Shanghai	29/84	23/73	pc	31/88	23/73	t
Singapore	32/89	27/80	pc	32/89	26/79	pc
Taipei	33/91	23/73	pc	33/91	24/75	pc
Tokyo	31/88	21/70	sh	31/88	21/70	pc

Africa

Algiers	28/82	18/64	pc	30/86	19/66	pc
Cape Town	18/64	6/43	pc	19/66	7/44	pc
Casablanca	33/91	18/64	s	33/91	18/64	s
Harare	28/82	18/64	s	28/82	18/64	s
Lagos	30/86	24/75	c	31/88	24/75	pc
Nairobi	24/75	13/55	s	25/77	12/53	s
Tunis	31/88	22/71	pc	32/89	22/71	pc

Latin America

Buenos Aires	21/70	2/35	pc	19/66	12/53	pc
Caracas	30/86	24/75	pc	30/86	24/75	pc
Lima	20/68	14/57	pc	21/70	13/55	pc
Mexico City	21/70	14/57	c	24/75	15/59	pc
Rio de Janeiro	24/75	18/64	pc	25/77	19/66	pc

North America

Anchorage	22/71	13/55	pc	21/70	12/53	t
Atlanta	33/91	22/71	t	33/91	23/73	t
Boston	24/75	18/64	sh	25/77	20/68	sh
Chicago	30/86	18/64	pc	28/82	17/62	pc
Denver	28/82	14/57	s	31/88	16/61	s
Detroit	31/88	21/70	t	28/82	18/64	pc
Honolulu	31/88	23/73	pc	29/84	22/71	pc
Houston	34/93	23/73	t	34/93	24/75	t
Los Angeles	31/88	17/62	s	22/73	11/52	s
Miami	33/91	26/79	t	32/89	26/79	t
Minneapolis	23/73	14/57	sh	25/77	16/61	sh
Montreal	27/80	17/62	c	25/77	18/64	sh
Nassau	32/89	23/73	pc	33/91	24/75	pc
New York	28/82	21/70	sh	30/86	22/71	t
Phoenix	43/109	29/84	s	41/106	29/84	s
San Fran.	29/84	14/57	s	22/71	13/55	s
Seattle	26/79	12/53	pc	23/73	13/55	c
Toronto	28/82	21/70	t	25/77	18/64	s
Washington	33/91	24/75	t	33/91	24/75	pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, s-snow, I-ice.
All maps, forecasts and data by AccuWeather, Inc. ©1991

Iraq Shows 'Something' To UN Team

By Caryle Murphy
Washington Post Service

BAGHDAD — The head of a top-level United Nations delegation seeking access to secret Iraqi nuclear enrichment equipment was shown "something of interest" on Tuesday which he said was nuclear-related.

But the official, Hans Blix, the director-general of the International Atomic Energy Agency, declined to specify if what he saw was the same equipment for making weapons-grade uranium that was photographed by UN inspectors Friday as it was being trucked down a public highway.

"We saw something of interest," Mr. Blix said Tuesday, after returning from his inspection tour, which took place at a military site more than an hour's drive from Baghdad.

The UN delegation was dispatched here after Iraqi soldiers fired warning shots at the UN inspectors as they photographed the convoy Friday. The envoys, who arrived Sunday, had indicated earlier Tuesday that they would leave Iraq on Wednesday.

But it was not clear Tuesday night whether they would delay their departure because of what Mr. Blix had seen.

Meanwhile, another UN inspection team observed the destruction of 12 of Iraq's 61 long-range ballistic missiles, according to the team's chief inspector, Colonel Douglas Englund of the U.S. Army.

The international team, which includes four Americans and three Soviets, were taken to Al Taji military base about 30 kilometers (18 miles) north of Baghdad, Colonel Englund said. There, they watched as the Iraqis used bulldozers to smash and crush the 12 Hussein missiles, which are an upgraded version of the Soviet-made Scud.

Mr. Blix's tour followed a round of apparently fruitless discussions Tuesday morning between the UN delegation and several top Iraqi officials, including Deputy Prime Minister Tariq Aziz.

One UN participant called the session "awful," saying that the Iraqi officials were "talking in circles."

Even when the Iraqis were shown a photograph of the nuclear equipment taken by the UN inspection team Friday, they apparently did not acknowledge that it was nuclear material.

And for the second time in as many days, the UN nuclear inspection team which has been in Iraq since June 22 seeking access to the secret Iraqi nuclear equipment, was again taken to a military site with promises that they would see the equipment, but ended up seeing nothing.

JUDGE: *On Many Issues, U.S. Nominee Is Wild Card*

(Continued from page 1)

the District of Columbia was widely viewed on Capitol Hill and in ideological interest groups as a rehearsal for an eventual Supreme Court nomination.

Some Democratic senators said at the time and again on Monday that their votes to confirm him for the appeals court should not be taken as endorsements for the Supreme Court.

Three years ago, the Senate denied confirmation to Judge Robert H. Bork despite having voted to confirm him only a few years earlier to the same court on which Judge Thomas now sits.

Leaders of abortion rights groups said Monday that they would press the Senate to deny confirmation to Judge Thomas unless he expressed his support for the Supreme Court's abortion precedents, including continued adherence to Roe v. Wade, the 1973 ruling that established the constitutional right to abortion.

"The Souter model of silence and evasion that we saw last year is absolutely unacceptable," said Kate Michelman, executive director of the National Abortion Rights Action League. Her reference was to Justice Souter's confirmation hearing last September, during which the nominee gracefully but firmly deflected questions intended to elicit his views on abortion.

Senator Howard M. Metzenbaum, an Ohio Democrat who serves on the Judiciary Committee, endorsed Ms. Michelman's position. "I'm through reading tea leaves and voting in the dark," he said.

But the Judiciary Committee includes some of the most conservative Democrats in the Senate as well several combative Republican conservatives. If Judge Thomas maintains his silence, his nomination is unlikely to founder on the abortion issue alone, particularly if there is no other source of concerted opposition.

Civil rights groups took a very cautious tone Monday, essentially noting "concerns" and saying that they would study the record.

"We urge the Senate not to rush to judgment," said a statement from the Leadership Conference on Civil Rights, an umbrella group of 185 organizations that took an early and leading role in the defeat of the Bork nomination.

It was evident from these responses that President George Bush's choice was a disarming one. Introducing his nominee to the country at a televised news conference on Monday afternoon, the president drew on the powerful appeal of Judge Thomas's life story as a self-motivated and self-made success. The political pluses to this nomination were obvious.

"Judge Thomas' life is a model for all Americans," Mr. Bush said.

At his side stood a man who was 5 when Thurgood Marshall won his Supreme Court argument in Brown v. Board of Education and who was a college freshman when Justice Marshall joined the Supreme Court.

That was a generation ago, when the court was still in the midst of rewriting the ground rules by which Americans were to live their lives.

Well before Mr. Bush presented Judge Thomas to the country Monday, it was clear that that chapter in the court's history was largely closed and that a new page was about to be turned. After Monday's nomination, some but by no means all of the blanks on that page have been filled in.

Verdict Reversed In Le Pen Case

The Associated Press

VERSAILLES, France — An appeals court on Tuesday overturned a ruling against the rightist leader Jean-Marie Le Pen, who was fined in March for a 1988 play on words that linked a cabinet minister's surname with Nazi crematoriums. The remark caused an outrage and forced the lifting of Mr. Le Pen's parliamentary immunity so that he could be brought to trial. He was found guilty of "public injury."

The appeals court nullified a 10,000-franc fine ($2,000 at the time), ruling that Mr. Le Pen's choice of words had been in bad taste but had not gone beyond the limits of tolerance.

Mr. Le Pen, president of the National Front and a deputy in the European Parliament, linked Michel Durafour, then minister for civil service, to the crematory ovens used in World War II concentration camps, calling him "Monsieur Durafour-crématoire." In French, *four* means "oven," and *crématoire* means "crematorium."

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Herald INTERNATIONAL Tribune
Published With The New York Times and The Washington Post

Bush and Roh Plan Talks on Keeping GIs in South Korea

By David E. Sanger
New York Times Service

TOKYO — President Roh Tae Woo of South Korea arrived at the White House on Tuesday for a three-day state visit during which he and President George Bush were expected to turn to the most delicate military question in Asia: Does it still make sense to keep 43,000 U.S. troops and hundreds of nuclear weapons on the Korean peninsula?

The former general is visiting after a remarkable year in which, through diplomatic maneuvers that caught even his own people by surprise, the Soviet Union has established diplomatic relations with South Korea, and China appears ready to do the same.

But those same events, U.S. officials say, have left North Korea more isolated and unpredictable than at any time in recent memory and have opened a new debate about how Seoul and Washington should respond to growing evidence that the Communist regime is attempting to manufacture its own nuclear weapons.

In recent weeks Mr. Roh has said repeatedly that despite periodic anti-American street protests, his government wants the United States to retain a large, nuclear-equipped presence in South Korea.

The U.S. presence, combined with heightened pressure from the Soviet Union and China, he suggested in an interview earlier this month, will soon force North Korea to open its nuclear installations to inspection and its society to the outside world.

Just before leaving Seoul for California on Saturday, Mr. Roh said that "the day of peace, the day of unification, is coming even to this land."

At the same time, both Seoul and Washington are edging toward a new definition of the U.S. role in South Korea. Next year, for the first time, a South Korean will take command of the combined ground forces that have defended the country since the end of the Korean War, part of a broader move to make South Korea more responsible for its own defense.

And part of the continuing debate about how to speed change in North Korea has centered on the question of whether the United States should make a first move, withdrawing ground-based nuclear weapons that — at least officially — no one has ever confirmed are stored there.

"If the United States has nuclear weapons on the ground in South Korea, they should be withdrawn," William J. Taylor of the Center for Strategic and International Studies in Washington wrote recently. "Having them there provides neither deterrent nor war-fighting benefits."

Most of those arguing for withdrawal say that it would give the North Korean government of Kim Il Sung a face-saving way to open its suspected nuclear plant in Yongbyon, north of Pyongyang, to international inspectors.

Several weeks ago North Korean officials told the International Atomic Energy Agency that they would sign an agreement in September allowing inspectors into the country for the first time. But in subsequent statements, they resurrected the old demand that the United States open its bases in South Korea to similar inspection.

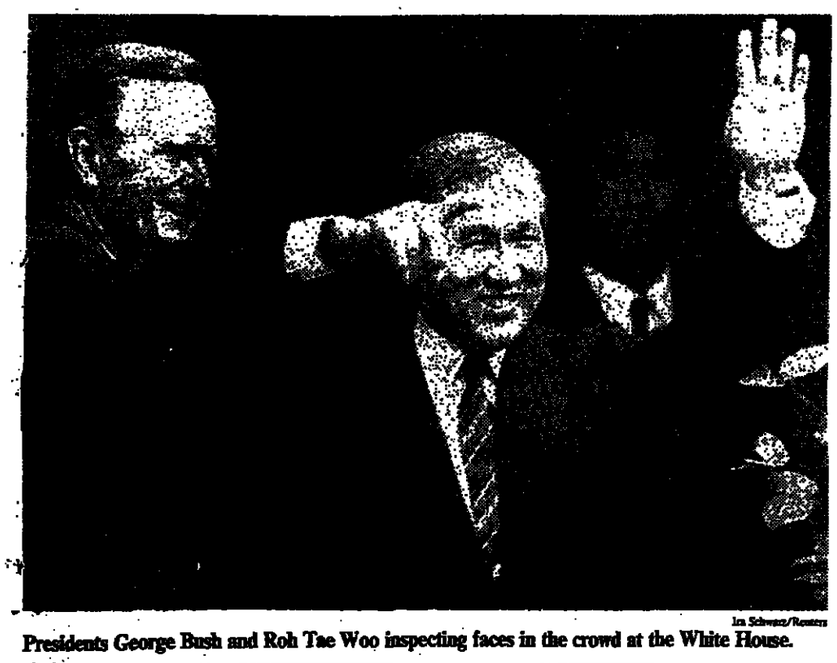
"The U.S. nuclear weapons in South Korea must undergo inspection before anything else," Rodong Simmun, the Communist Party's newspaper, said Friday.

U.S. officials argue that the two issues are separate. The Nuclear Nonproliferation Treaty does not require existing nuclear powers to open their military sites to inspection. But it does require nonnuclear signers of the accord to allow inspectors in. North Korea signed the treaty five years ago.

During his talks in Washington, Mr. Roh is also expected to come under pressure on trade issues, including opening up South Korea to imported goods. Periodically, when economic prospects worsen, U.S. goods have been banned from store shelves.

Washington is also pressing South Korea to open its rice market, though the focus of the rice dispute is Japan, a much larger market.

After leaving Washington, Mr. Roh is to travel to Canada for talks with Prime Minister Brian Mulroney.



Ira Schwarz/Reuters

Presidents George Bush and Roh Tae Woo inspecting faces in the crowd at the White House.

Change at Top In North Korea Hinted by Title

Agence France-Presse

SEOUL — North Korea has referred to Kim Jong Il, the president's elder son and heir-apparent, as "great leader," using a title that had been reserved for his father, Kim Il Sung, a possible indication of an approaching changeover, a monitoring agency said Tuesday.

The state-run Naewoe Press, the only South Korean agency allowed to monitor news from North Korea, said North Korea's official radio had quoted a university president as giving the younger Mr. Kim the title at a major theater.

"We must uphold the dear leader, Comrade Kim Jong Il, as the great leader," said the president of the University of the People's Economy, Kim Kook Hoon, at the Pyongyang People's Cultural Palace.

Naewoe said it was the first time that the president's son had been called the great leader, or *ddaehan suryong*, and added that it was an indication of the firm succession of power from father to son.

Motel Where King Was Killed Becomes a Museum

By Mary Tabor
New York Times Service

MEMPHIS, Tennessee — For years, the motel where the Reverend Martin Luther King Jr. was assassinated in 1968 stood amid dilapidated warehouses.

This week, the Lorraine Motel is celebrating its rebirth as the National Civil Rights Museum.

More than 100 celebrities and civil rights advocates, including Rosa Parks, a pioneer desegregation activist; Coretta Scott King, Mr. King's widow; Morgan Freeman, the actor, and Pete Seeger, the folk singer, are attending events through the Fourth of July in honor of the museum, which, organizers say, will hold the first comprehensive exhibit documenting the civil rights movement in the United States.

The festivities opened with a citywide worship service with the Reverend Jesse L. Jackson and the Reverend Joseph E. Lowery at Mason Temple, where Mr. King, on the eve of his death, said God had "allowed me to go up to the mountain, and I've looked over, and I've seen the Promised Land," adding, "I may not get there with you."

At the service, Mr. Jackson, who witnessed the assassination, called Memphis the "Easter site" of the King story. "To not have this museum in Memphis would be like the Christians celebrating Christmas and never celebrating Easter," Mr. Jackson called out to a congregation of 1,000 people, who sat fanning themselves in the heat.

"Memphis, his last sermon," he said. "Memphis, the vision of the mountaintop. Memphis, the last march. Memphis, the last interruption. Memphis, the last breath."

Civic leaders hope the museum will both revitalize the forlorn Mulberry Street neighborhood, long overrun by prostitutes and drug dealers, and improve racial relations. Businesses and foundations managed by whites donated $1.3 million for the $9.7 million museum, with the rest coming from city, state, Shelby County and other private donations.

The museum was scheduled to open Thursday, but construction delays have postponed the opening until Aug. 31. Some of the museum's exhibits are in place.

Rollin A. Riggs/The New York Times

The Lorraine Motel in Memphis fell on hard times after the 1968 murder of Martin Luther King Jr.

Focusing on the civil rights movement during the 1950s and 1960s, the museum's 15 exhibits include extensive audio, video and photographic displays of civil rights protests across the country.

Visitors, who will pay $5 for admission, will be able to sit at a lunch counter alongside statues of student protesters and two jeering white men. Film footage of actual demonstrations will be shown.

The motel, once one of the few lodging houses in the city where blacks could stay, has been stripped and rebuilt.

Two rooms, those Mr. King rented so he could lead a march in support of striking city workers, have been restored and preserved. One, which motel residents had turned into a shrine, now displays the furniture set up as it was the night of April 4, 1968, when Mr. King stepped out onto his balcony before leaving to visit a local minister. It was there that James Earl Ray, aiming from a building across the street, shot him.

The bloodstained concrete slab where Mr. King fell has been reset on the balcony walkway. His body is entombed at the Martin Luther King Center for Nonviolent Social Change in Atlanta.

Drug War's Computers Keeping Agents in Dark

By Brent Mitchell
Washington Post Service

WASHINGTON — The agencies fighting the federal government's war on drugs may be hurting their own efforts by relying on more than 100 different computer systems, according to a General Accounting Office report.

The report, expected to be released this week, found that agencies were sometimes unable to exchange essential information because their computers could not communicate. Additionally, the government has no measures for ensuring that its information is correct and its systems are protected from outsiders.

Among the problems noted were that files of the Drug Enforcement Administration must be searched by hand before information can be sent to field agents and that a Coast Guard system requires employees to retype drug data that cannot be accepted electronically.

Howard G. Rhile, the office's director general for government information services, said the Office of National Drug Control Policy must improve the systems to support the anti-drug efforts. The central drug-control office is conducting an overall review of the government's operations.

"These systems have to exchange data in order to do their jobs, and they have to exchange in a real-time basis to be effective," Mr. Rhile said. "A system that requires you to key in information" defeats the purpose of having the system, he said.

Spokesmen for several of the agencies that are cited in the report declined to comment, saying they had not been provided with copies.

An official in the drug-control office said that information-sharing problems are common, especially when the data concern sensitive police investigations.

"Even though you are probably never where you want to be, we think it is getting better," the official said.

Representative Charles E. Schumer, Democrat of New York, chairman of the House subcommittee on crime and criminal justice, criticized the government's anti-drug efforts, saying that agencies spent millions of dollars without considering the most effective options.

The report does not describe the individual anti-drug computer systems, but an internal report lists 102 programs being used or developed by 33 agencies. Most of the systems collect unclassified statistics and reports for use by law-enforcement officers.

Although the Defense Intelligence Agency and the National Security Agency provided the office with information, the Central Intelligence Agency refused, contending that it needed to protect its sources and intelligence-gathering.

AMERICAN TOPICS

Care for Everyone, But Only the Basics

The Oregon Legislature, amid great promise and grave doubt, has approved a plan that would provide basic health care for everyone but would not pay for expensive procedures with limited effectiveness. Since the state gets matching funds from the federal government, it will have to apply for a exemption from federal regulations. These rules provide unlimited care for a limited number of poor people, mostly unemployed mothers; Oregon aims to give limited care to everybody.

The philosophy of the Oregon plan is that if government is willing to decide which medical treatment is most effective for the most people at the least cost, hundreds of thousands more citizens can be offered more reliable basic coverage, both through government Medicaid and private-employer insurance plans.

In a list of 709 such procedures drawn up in order of frequency and cost-effectiveness by a board of doctors and health experts, the line was drawn at No. 587. Every treatment above that line would be covered for all people in poverty, through the Medicaid program, and private employers would be required to provide coverage for those same treatments for their workers.

Everything below that line, beginning with surgery for a slipped disk, No. 588, the state would not cover and employers need not either, although they could if they wished.

Short Takes

After five years of revisions, the latest plan for the $15-million, privately funded Korean War Veterans' Memorial in Washington has been rejected by the federal Commission of Fine Arts as too busy. The Washington Post reports. The design has 38 seven-foot-high (two-meter) soldiers advancing to a pool with an inscribed stone, and a flag-filled plaza encircled by linden trees. The bronze soldiers were to have been backed by a polished granite wall etched with photographs of service personnel. The commission's chairman, J. Carter Brown, said, "Together, it was all too much."

The bowhead whale, hunted to near-extinction in the past century, is rebounding. An estimated 7,800 bowheads live in Alaskan waters. As recently as the 1970s, there were only 1,000. The bowhead can reach a length of 60 feet and weigh up to 100 tons. It uses its head, which makes up a third of its body, as a huge battering ram to make breathing holes in the ice. Bowheads, as a protected species, are no longer commercially hunted. But Alaskan Eskimos are allowed an annual harvest of 41 bowheads, which are part of their diet and culture.

Shorter Takes: A 475-pound (215-kilogram) man was arrested at a Tallahassee, Florida, airport after police found 11 pounds of crack cocaine hidden in the folds of his stomach. A dog trained to sniff drugs was his undoing. ● Fire fighters in Long Beach, California, pried a 12-foot pet python from around the leg of its 9-year-old master. It had just started to dine on the boy's foot. He escaped with minor puncture wounds from the teeth of the nonpoisonous snake.

Arthur Higbee

Connecticut Is 2d Budgetless State to Cut Services

Compiled by Our Staff From Dispatches

HARTFORD, Connecticut — Governor Lowell P. Weicker Jr. ordered a shutdown of most state services Tuesday after the legislature did not give him what he called a "sound, balanced budget" containing a personal income tax.

Pressed by economic recession to make politically painful choices, Connecticut became the second state in as many days to order such a shutdown because it lacked a new budget. Maine's governor did the same Monday.

Besides Maine and Connecticut, at least seven other states — California, Illinois, Louisiana, Massachusetts, North Carolina, Ohio and Pennsylvania — were without a spending plan two days into the new fiscal year. Illinois was under court order to distribute welfare checks even without a budget.

Governor Weicker had given the legislature until midnight Monday — 24 hours after the fiscal year began — to adopt a budget that included an income tax.

Mr. Weicker, who won the governorship last year as an independent, has argued that only an income tax can put the state's budget on a sound basis.

The Connecticut House bowed to pressure early Tuesday and approved an income tax, by a vote of 76 to 72, to help close a deficit of $2.8 billion in a budget of about $8 billion. But the Senate declined to act immediately.

At that point, the governor carried out his threat to order a shutdown. His order restricted state government activity to public health and safety. As a result, 7,000 of the state's 48,000 workers were told not to report for work Tuesday. That might rise to 20,000 on Wednesday.

The shutdown did not apply to state services deemed essential, including those provided by police, prison guards and many hospital personnel.

If the impasse continues, state parks and forests will be closed for the busy Independence Day holiday weekend, along with motor vehicle offices and off-track betting parlors. Buses and trains could be affected as early July 15.

Business and industry blame poor sales, high taxes and the lack of credit because of record foreclosures and bank failures, including those of the Bank of New England and its large Connecticut Bank & Trust Company subsidiary.

Mr. Weicker was under pressure to introduce an income tax to erase the current budget deficit.

Connecticut is one of 10 states without an income tax. A tax was approved in 1971 but repealed weeks later after an outcry. Voting for an income tax was long considered political suicide in Connecticut, but the idea gained acceptance this year as the state descended into fiscal crisis.

Connecticut legislative leaders have failed repeatedly since February to pass numerous versions of an income tax, and the General Assembly twice approved rare bipartisan budgets that relied on extending the 8 percent sales tax.

(AP, UPI)

300 Venezuelan Police Fired in Drug Inquiry

Agence France-Presse

CARACAS — Three hundred Venezuelan police were dismissed after an investigation linked them to selling identification cards and taking payoffs to release drug traffickers.

Federal officials said that police ID cards, sold for between $150 and $900, were probably used by drug traffickers to pass customs checkpoints. The police said the inquiry showed that about 9,000 false cards were in circulation.

Bush Hints Impatience on Mideast

By Thomas L. Friedman
New York Times Service

WASHINGTON — President George Bush has hinted that if Syria and Israel are not more receptive to his proposals, he will give a speech or issue invitations for a peace conference to make clear who is standing in the way of Middle East peace.

At a news conference outside his summer home in Maine on Monday, Mr. Bush indicated that his patience was beginning to wear thin. The Israelis have repeatedly rejected his compromise proposals for convening a peace conference, and more than a month after Mr. Bush presented similar ideas to the Syrians, they have not even bothered to write back.

Mr. Bush indicated he intended to press the matter publicly in some way. He was asked if he might issue invitations for a peace conference under terms that he viewed as a fair compromise between the Arab and Israeli positions, to see who dared to stay away.

"Yes, I have seen suggestions of that nature," Mr. Bush replied. "I think I owe the American people my view of the details. And that wouldn't bother me one bit to get up and say, 'Here is what we have been trying to do.' So there is no time frame on anything of that nature, but I think there are a lot of people wondering what in the world is going on, and I have invoked quiet diplomacy and the need for confidentiality, but I can't do that forever. I just simply can't do it.

"I owe it to the American people and I think the people around the world to say, 'Hey, here is what the United States thinks is a good formula.'"

For the first time, however, Mr. Bush said he was unwilling to link U.S. loan guarantees for Israel to a halt of Jewish settlement in the occupied territories.

Previously, Mr. Bush and other administration officials had hinted to Jewish leaders that they were considering such a linkage.

"The responsibility of tolerance lies with those who have the wider vision."
George Eliot, England, 1871

"Let us seek the truths that unite us."
Ari, 1991.

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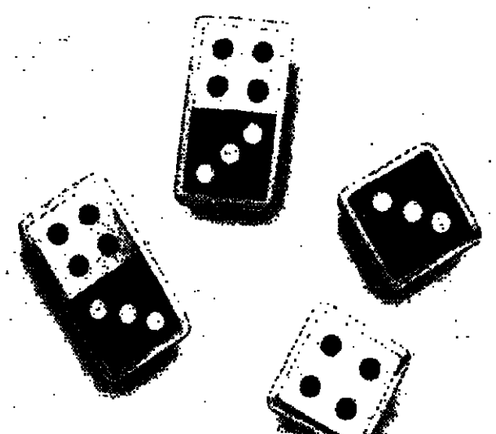

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Slovenes Shut Down Reactor

Reuters

VIENNA — Slovenia's breakaway government has shut down the republic's sole nuclear power plant after the site was buzzed by three Yugoslav military aircraft, the Slovene radio reported Tuesday.

According to the broadcast, monitored in Vienna, the Nuclear Safety Administration of the secessionist republic has warned the Yugoslav government not to "play about" with the nuclear plant at Krsko, 100 kilometers (60 miles) east of Ljubljana, the Slovene capital.

On Tuesday, Yugoslav Army tanks and troops engaged Slovene militia forces in a battle 30 kilometers from the nuclear plant, Austrian television reported.

According to the Slovene radio, the republic sent a letter to the International Atomic Energy Agency in Vienna asking it "to warn the Yugoslav government that one cannot play about with such things; that the consequences are not such that, as some people think, only Slovenes and Croats will suffer; the whole world will suffer."

The plant's operation were cut to 25 percent of capacity over the weekend to prepare for an emergency shutdown after the Slovene prime minister, Lojze Peterle, said there had been threats that the reactor would be blown up.

Michel Euler/The Associated Press

A Croat hurling a stone at a Yugoslav tank rolling out of a barracks in the Croatian capital of Zagreb on Tuesday en route to Slovenia.

POLICY: *Bush Administration Signals Flexibility on Yugoslav Borders*

(Continued from page 1)

the individual republics that contribute to the violent atmosphere.

In statements since Slovenia and Croatia declared independence last week, U.S. officials, including Secretary of State James A. Baker 3d, had previously stressed the need for a "democratic basis for unity" in Yugoslavia and had warned of "the dangers of disintegration."

The White House had been stressing that the United States supported maintaining the "territorial integrity" of Yugoslavia. But on Tuesday, Miss Tutwiler offered a subtle but significant addendum, saying, "The United States supports the territorial integrity of Yugoslavia as the Yugoslavian people themselves determine what that is through peaceful means."

A high-ranking State Department official said Tuesday that the United States had never taken a "rigid stance on unity."

The unnamed official, quoted by Reuters, was asked how the United States would react if Slovenia and Croatia were to undertake a gradual process of disengaging themselves from the central government.

He responded, "If it resulted in greater autonomy, greater sovereignty, greater independence — even total independence — provided it's done peacefully, it's something we would support."

"We never said we would not support it," he added.

Another official said in an interview, "It is obvious that we have to consider various alternatives, and one is independence."

Miss Tutwiler said that Deputy Secretary of State Lawrence S. Eagleburger called in Yugoslavia's ambassador to the United States on Tuesday and condemned the use of force by Belgrade's troops.

He urged federal troops to return to their barracks in Slovenia and Croatia and warned of the "real danger" of fighting near a nuclear power plant in Slovenia.

Miss Tutwiler said that a cooling off period was needed via "to launch a new dialogue that responds to the national aspirations of the people and creates a new basis for relations among the peoples and republics of Yugoslavia."

NATO Aide Tells EC Not to Snub U.S. Power

Compiled by Our Staff From Dispatches

BRUSSELS — The NATO secretary-general, Manfred Wörner, said Tuesday that the European Community, which is discussing whether to take on a new defense role, could not ignore U.S. military power with a "go-it-alone" policy.

Mr. Wörner said: "Europe — even a stronger, more united Europe — cannot balance the immense geopolitical mass of the Soviet Union or uphold its interests beyond its shores except in close cooperation with the United States."

However, he stressed at a meeting of the European Parliament that the U.S.-led alliance was not trying to preempt debate with the EC on any defense policy.

The issue of creating a European defense identity is sensitive. Washington and many European members of the 16-nation North Atlantic Treaty Organization say this must not undermine vital trans-Atlantic links.

But some countries, including France, which is not part of NATO's military structure, want to create a much more independent military voice within the EC.

The president of the EC Commission, Jacques Delors, warned the United States not to meddle in that process. "We don't interfere in American affairs," he said. "I hope they will have enough respect for us not to do that here. We should be respected for what we are."

Mr. Wörner said the Gulf war had proved that the United States was the only superpower able to take the lead on the world stage, although it could not do so alone and without allied support.

He approved the idea of using the nine-nation Western European Union, whose members are in both the Community and NATO, as the main forum for stronger defenses.

He said units from NATO's "rapid reaction" forces, which were set up to face any threats to alliance territory, could be reassigned to Western European Union command in crises in which NATO could not act, providing all the allies agreed.

NATO is limited to defending the territory of its members, and it was not directly involved in the Gulf war. Several countries have suggested using the Western European Union, which has no such limits, to provide the command for any force needed beyond Western Europe's borders. *(Reuters, AP)*

Phone Sabotage Suspected in U.S.

The Associated Press

PITTSBURGH — A computer virus or other sabotage may have caused telephone breakdowns affecting more than 10 million customers in five states and Washington, D.C., during the last week, according to telephone company executives.

The latest major outage — a six-hour disruption Monday affecting more than 1 million customers in western Pennsylvania — could be linked to similar breakdowns in California, Maryland, Virginia, West Virginia and the nation's capital, they said.

Service in western Pennsylvania was disrupted again Tuesday morning, said Tom Duddy, a Bell spokesman. He said an unknown number of customers were having some difficulty placing calls outside of their immediate areas. The problem did not seem to be as widespread as Monday's outage.

"We're hoping to nip it in the bud," he said.

Bell of Pennsylvania and its parent, Bell Atlantic Corp., said Monday's disruption of long-distance service probably had been caused by a fault in recently installed software.

Technicians said they were looking into several possibilities, including a computer virus or other sabotage.

Bob Valentini, Bell of Pennsylvania president and chief operating officer, said he thought the "triggering events" might have been different in various states.

"But once triggered," he said, "the symptoms were very similar."

The outage in Pennsylvania began about 11:15 A.M., Mr. Valentini said, when lines that relay signals between computers jammed.

"What happened today is still a little bit mysterious," said Don Burns, a Bell Atlantic vice president. "We're looking for common factors."

All the affected telephone companies use similar computer switching systems.

A breakdown Wednesday in Washington was caused by a faulty circuit board in a Baltimore switching station, according to Chesapeake & Potomac Telephone Co. Service was disrupted in Maryland, Virginia, West Virginia and Washington.

Overloaded circuits interrupted service in Southern California on the same day, but the cause remains unknown, Pacific Bell said.

"The fact that we've had, in the short period of a month, several outages, causes us to believe that something has been introduced," Mr. Burns said.

The investigation focused mainly on the software added in recent weeks, said a Bell Atlantic spokesman, Larry Plumb. An inadequately written computer command could be to blame, he said.

A software problem also shut down service to 45,000 lines in Greensboro, North Carolina, for about two and a half hours Monday, Southern Bell said.

Technicians corrected the problem but did not know its cause, said a Southern Bell spokesman, Clifton Metcalf. He said technicians did not suspect sabotage, nor did they believe the outage was related to the others around the country.

Defective software was blamed in 1990 for an American Telephone and Telegraph Co. long-distance service crash that affected millions nationwide.

Embassy in China Bars U.S. Press at July 4 Reception

United Press International

BEIJING — The U.S. Embassy in Beijing has banned American journalists from its July 4 diplomatic reception, an embassy spokesman said Tuesday.

No reason was given for the action, although it appeared likely that the decision had been made to spare Chinese officials journalists' questions. It was not known whether the decision had been a result of a Chinese request.

The embassy customarily gives a morning reception for diplomats and Chinese guests, with journalists in attendance, and an afternoon Independence Day party for the entire American community in Beijing.

SLOVENES: *Cease-Fire Accord Follows Day of War*

(Continued from page 1)

ing 13 civilians, and the number of wounded at more than 140.

The Slovene Red Cross put the count for both sides at 23 dead and 173 wounded, including 54 civilians. The Red Cross said 980 federal troops had been captured and another 720 had deserted or defected to the Slovene side.

The Yugoslav Army said the military suffered at least seven dead and 13 wounded in the Tuesday fighting. The Slovene radio said only that both sides had sustained dead and injured.

The fighting was the heaviest since Yugoslavia's feuding political leaders agreed Friday evening to a three-point EC peace plan.

It flared along Slovenia's northern border with Italy, Austria and Hungary, in central Slovenia and along its southern border with Croatia.

Shooting also erupted Tuesday in the neighboring republic of Croatia, which declared independence along with Slovenia last week, raising fears that Yugoslavia could be engulfed in total civil war.

As dozens of army tanks rolled out of the Marshal Tito Barracks in Zagreb to head for the Slovene front, crowds pelted them with rocks, sticks and gasoline bombs, setting one tank ablaze.

A truckload of troops opened fire on the crowd with machine guns, killing at least one man and wounding two.

In Belgrade, pandemonium broke out in the Yugoslav parliament as hundreds of angry parents with sons in the army poured into the building demanding that they be pulled out of the war.

"They are using our boys as meat for Slovene guns," shouted a Serbian woman.

(UPI, AP, Reuters, AFP)

Singapore Chief Shuffles Cabinet

United Press International

SINGAPORE — Prime Minister Goh Chok Tong has announced a cabinet shuffle that will bring younger leaders into the government.

Mr. Goh relinquished his defense portfolio in line with what he said was his intention of working toward a one-minister, one-portfolio ideal. Yeo Ning Hong was appointed minister for defense, losing his communications portfolio.

ATTACK: *Death at Dawn*

(Continued from page 1)

cers, along with about 60 tanks and armored vehicles, have been held hostage in the republic they came to intimidate.

The army's high command is dominated by a senior officer corps that is overwhelmingly Serbian, strongly Marxist and committed to stopping the dismemberment of Yugoslavia.

"Our officers told us that the independence of Ljubljana is one-sided," said Corporal Jankovic. "They told us it must be two-sided."

On the same day that the armored personnel carriers moved into Slovenia, they were stuck behind a blockade erected by the Slovene militia. It was on this same highway, about 80 kilometers (50 miles) northwest.

The vehicles sat there until 2:30 A.M. on Monday, when they tried to drive south, away from the Slovene capital. Again, they were blocked, this time on two sides. When the shooting started Tuesday morning, they had been sitting there for 24 hours.

Corporal Jankovic said the Slovenes started shooting first, even though the vehicles had not moved. The Slovene government, meanwhile, says the shooting started after army jets attacked the forest. It is impossible to know now what really happened.

A convoy of army tanks heading north from Croatia was stopped by the Slovene militia. It appeared to be moving north in an attempt to help the army vehicles stranded here. The Slovene militia attacked with anti-tank weapons about 9 A.M., destroying several tanks and killing at least six soldiers.

The tanks turned around and left about 3 P.M.

Asked about his orders to go into Slovenia and help suppress the independence movement, Corporal Jankovic did not answer right away. He squinted into sun that has been baking him and his fellow soldiers for six days. Then he said: "I think it was a mistake."

SOVIETS: *Party Welcomed*

(Continued from page 1)

visers, offered some philosophical underpinnings of the movement in a newspaper essay.

"We must not be hypocritical and must honestly admit that the democratic rebirth of the Communist Party, its breaking with dictatorship's past and its transformation into a capable political organization, has not taken place," Mr. Yakovlev wrote in the government newspaper Izvestia. "The revolution in society has not led to a revolution in the party."

Considering Mr. Yakovlev's longtime association with Mr. Gorbachev and their allegiance in drafting the *perestroika* restructuring strategy, Soviet leader seems certain to be aware of the frustrations and alarm expressed by his old colleague.

The announced strategy of the new opposition movement is to unite progressives and dissidents, and woo wayward Communist Party members in the process, by not being confrontational. Mr. Shevardnadze said he favored the creation of a full-fledged party for this task — one that, if plans proceed well, might be created at the movement's inaugural conference, planned for mid-September.

ARMS: *Japanese Proposal to G-7*

(Continued from page 1)

followed by Iraq, Japan, Saudi Arabia and Syria.

The Gulf war brought new attention to the problem of international arms sales, because the Iraqi armed forces were fighting against the U.S.-led multinational force with weapons that had been provided in significant part by France and some other Western nations.

Citing such cases, Mr. Kaifu has been arguing recently that the danger of international arms sales might be reduced if sellers and buyers were required to disclose all sales to the United Nations. The records of the sales would be open to any country, group or individual.

"Not only would more open and more accurate information contribute to enhanced trust," he said a month ago, "it would also serve as a solid basis for meaningful discussion of the arms trade."

Mr. Kaifu has also argued that a visible record of arms sales could give the UN advance warning of military buildup in a particular region of world, and thus help head off regional wars.

There is no formal international system in place now for tracking most conventional weapons sales. Various nations' defense departments try to maintain records, and there are a few private journalistic concerns that issue detailed reports on international arms transfers.

In 1987, seven nations established a system called the "Missile Technology Control Regime," to limit sales of certain missiles.

Mr. Kaifu has a strong personal commitment to pacifism, and the Japanese people in general are devoted to their "Peace Constitution" — written and imposed on this country by U.S. occupation forces after World War II — under which the nation renounces war.

Jet Loses Engine At San Francisco

Reuters

SAN FRANCISCO — One of the three engines of a Lockheed L-1011 airliner disintegrated Monday shortly after takeoff here, raining metal on the San Francisco suburb of Daly City but causing no injuries, airport authorities said.

The American Trans Air plane was on a charter flight to Hawaii with 379 passengers and crew, an airport spokesman said.

After the engine failure, the airliner circled, dumped fuel into the ocean to lighten its load and landed safely, he added.

Bush to Visit Mitterrand In Bastille Day Stopover

Reuters

KENNEBUNKPORT, Maine — President George Bush will meet with President François Mitterrand in Paris on July 14 en route to the economic summit meeting in London, an administration official said Monday.

Mr. Bush will stop in Paris "for a few hours" before flying to London for the meeting July 15 to 17 of leaders of the seven major industrialized nations, the official said.

In Paris, news that Mr. Bush would be stopping over on the French national holiday sparked speculation that he would be the guest of honor at the traditional Bastille Day parade, which this year will include French troops who took part in the Gulf war.

There have been rumors that General H. Norman Schwarzkopf, commander of the allied forces in the Gulf war, also might attend the parade and be given the Legion of Honor, France's highest award.

French Galleries Protest Tax

The Associated Press

PARIS — More than 100 art galleries around France closed their doors Tuesday to protest a government decision to triple the sales tax, to 18.6 percent, on original works of art.

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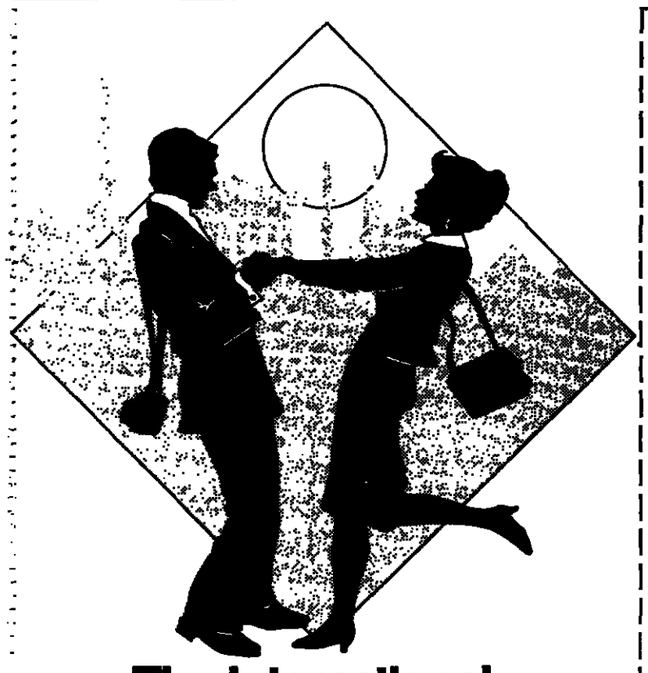

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abotage
d in U.S.

relay signals between computers jammed.

"What happened today is still a little bit mysterious," said Don Burns, a Bell Atlantic vice president. "We're looking for common factors."

All the affected telephone companies use similar computer switching systems.

A breakdown Wednesday in Washington was caused by a faulty circuit board in a Baltimore switching station, according to Chesapeake & Potomac Telephone Co. Service was disrupted in Maryland, Virginia, West Virginia and Washington.

Overloaded circuits interrupted service in Southern California on the same day, but the cause remains unknown, Pacific Bell said.

"The fact that we've had, in the short period of a month, several outages, causes us to believe that something has been introduced," Mr. Burns said.

The investigation focused mainly on the software added in recent weeks, said a Bell Atlantic spokesman, Larry Plumb. An inadequately written computer command could be to blame, he said.

A software problem also shut down service to 45,000 lines in Greensboro, North Carolina, for about two and a half hours Monday, Southern Bell said.

Technicians corrected the problem but did not know its cause, said a Southern Bell spokesman, Clifton Metcalf. He said technicians did not suspect sabotage, nor did they believe the outage was related to the others around the country.

Defective software was blamed in 1990 for an American Telephone and Telegraph Co. long-distance service crash that affected millions nationwide.

e Proposal to G-7

concerns that issue detailed reports on international arms transfers.

In 1987, seven nations established a system called the "Missile Technology Control Regime," to limit sales of certain missiles.

Mr. Kaifu has a strong personal commitment to pacifism, and the Japanese people in general are devoted to their "Peace Constitution" — written and imposed on the country by U.S. occupation forces after World War II — under which the nation renounces war.

Jet Loses Engine At San Francisco

Reuters

SAN FRANCISCO — One of the three engines of a Lockheed L-1011 airliner disintegrated Monday shortly after takeoff here, raining metal on the San Francisco suburb of Daly City but causing no injuries, airport authorities said.

The American Trans Air plane was on a charter flight to Hawaii with 379 passengers and crew, an airport spokesman said.

After the engine failure, the airliner circled, dumped fuel into the ocean to lighten its load and landed safely, he added.

Mitterrand ry Stopover

— President George Bush will errand in Paris on July 14 en route g in London, an administration

er a few hours" before flying to 17 of leaders of the seven major said.

would be stopping over on the speculation that he would be the stille Day parade, which this year ok part in the Gulf war.

eneral H. Norman Schwarzkopf, he Gulf war, also might attend the f Honor, France's highest award.

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Michael Landon, Actor, Dies

By Peter B. Flint
New York Times Service

Michael Landon, 54, who won fame as Little Joe Cartwright in the television series "Bonanza" and enhanced his celebrity as a creator, writer and director of other television hits, died Monday in Malibu, California, of cancer of the liver and pancreas.

Three months ago Mr. Landon disclosed he had inoperable cancer. "I am going to fight it," he said, adding, "Live every minute, guys."

The entertainer grew up on "Bonanza," portraying the youngest member of the Ponderosa Ranch's all-male clan from 1959 to 1973.

He went on to play the idealized frontier father in "Little House on the Prairie" (1974-82) and the altruistic angel assigned by God to aid mankind and spread love in "Highway to Heaven" (1984-88).

The three series, along with several TV plays and "Father Murphy," a 1981-84 series that he supervised, made him one of the dominant shapers of prime-time family programming for three decades.

Detractors criticized his shows as sentimental contrivances. Admirers praised him for sincerity in striving to deal honestly with sentiment and social concerns and for integrity in using his own company, Michael Landon Productions, to back his shows.

Mr. Landon, whose original name was Eugene Maurice Orowitz, was born in Queens, New York, to Eli Maurice Orowitz, a movie theater manager, and the former Peggy O'Neill, an actress. The family soon moved to the Philadelphia suburb of Collingswood, New Jersey, where he grew up.

He won a track scholarship to the University of Southern California but dropped out after a year. He worked at many jobs, studied at the Warner Brothers acting school and began his career as Michael Landon, a name he picked from the Los Angeles telephone book.

He occasionally wrote and directed episodes of "Bonanza" when suitable scripts were in short supply. He described his first effort as shallow but functional, "not as good as some scripts we'd had, better than some, and a lot better than not working."

Although his penchant for perfection led to disputes, David Dortort, the executive producer of "Bonanza," said in 1974 that "Landon developed very quickly as a good director."

Lee Remick, 55, Actress In Dozens of Movies

New York Times Service

Lee Remick, 55, an actress who starred in dozens of movies and many television and theater productions, died at her Brentwood, California, home Tuesday of liver cancer.

Miss Remick was regarded as one of Hollywood's most versatile performers. She was as much admired for her acting abilities as for her beauty.

After the director Elia Kazan cast Miss Remick as a seductive cheerleader in his 1956 film "A Face in the Crowd," she gave highly praised performances in Martin Ritt's "Long Hot Summer" (1958), Otto Preminger's "Anatomy of a Murder" (1959) and Kazan's "Wild River" (1960).

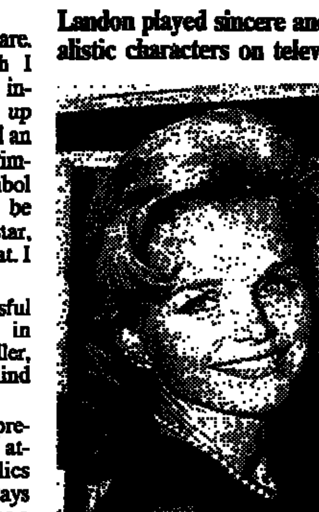
Her portrait of a happily married housewife turned alcoholic in Blake Edwards's "Days of Wine and Roses" (1963) brought her an Academy Award nomination. Subsequent film roles included "Baby the Rain Must Fall" (1965), "Loot" (1972), "Sometimes a Great Notion" (1972) and "The Europeans" (1979).

She chose her roles with care. "After 'Anatomy,' in which I played a kind of tramp, for instance, I could have followed up with more of the same," she told an interviewer. "Reinforcing my 'image' by becoming a sex symbol would have been one way to be more strongly identified as a star, but I had no interest in doing that. I can't be something I'm not."

Miss Remick's most successful Broadway performance was in Frederick Knott's 1966 thriller, "Wait Until Dark," about a blind woman.

Miss Remick was known to prepare intensively for her roles, attending meetings of Alcoholics Anonymous for her work in "Days of Wine and Roses" and spending a month of blindfolded mornings at New York's Lighthouse for the Blind before starring in "Wait Until Dark."

AFP
Landon played sincere and idealistic characters on television.


Reuters
Lee Remick, who died Tuesday in California, in a 1962 photo.

Japan Makes Anthem of Empire Hymn

Washington Post Service

TOKYO — Japan has given its official approval to the use of an old imperial hymn as this country's national anthem, despite decades of controversy over the fact that militant nationalists used the song when Japan was a colonial power.

The Education Ministry, which decides such things here, also has declared that the familiar *hi no maru* — or "round sun" — flag should be formally designated Japan's national flag. Like the anthem — *Kimigayo*, or "Your Majesty's Reign" — the flag depicting a red sun on a white field was banned by U.S. occupation forces after World War II because of its association with Japanese imperialism.

The anthem and flag already serve to some degree as informal national symbols. The flag flies at foreign embassies, and at international events both have long been used to represent Japan.

But in the home islands, they do not show up often in normal life.

The decrees on the flag and the anthem were not made through legislation or official pronouncement from the prime minister. With characteristic Japanese indirection, the decisions emerged in the form of guidelines issued Sunday by the Education Ministry in approving next year's textbooks.

While the education bureaucracy delighted conservatives by recognizing the traditional anthem and flag, the new textbooks pleased liberals because they contain somewhat stronger descriptions of Japan's conduct before and during World War II.

All those changes reflect the fact that Japanese are less skittish these days about looking back on their colonial thrust into Asia in the first half of this century and the disastrous world war that it led to.

Still, such memories remain touchy. Thus, news organizations treated the ministry's decision to give formal status to the anthem and the flag as the top national news story Tuesday.

The fairly common U.S. practice of raising the flag before a ballgame or similar event is rarely encountered here. The Japanese flag is rarely flown over buildings, even government buildings, because it is still likely to cause controversy, particularly among liberals.

The Japanese are less skittish these days about looking back on their colonial thrust into Asia and the disastrous world war that it led to.

"Kimigayo," the ancient poem now approved anew as the national anthem, is likewise generally not played at baseball games or other public events. Even at sumo wrestling matches, the most nationalistic of the big spectator sports, the national anthem is played only once during each two-week tournament.

When the anthem is played, nobody stands up. This caused an uncomfortable moment last autumn when two National Football League teams played an exhibition game in Tokyo. The U.S. and Japanese national anthems were played. American fans present stood for both; the Japanese stood for neither, angering some Americans.

There are still unhappy memories of militarism and war that many Japanese associate with the old national symbols.

"The song 'Kimigayo' is about imperialism, it is about a divine emperor," said Yoshihide Yamabe, head of a labor-backed organization set up to guard against renewed militarism.

"The very phrase 'Kimigayo' suggests that the emperor still reigns here," Mr. Yamabe said. "But now we have a constitution that says the people are sovereign. So how can this song from a different Japan be our national anthem today?"

Mr. Yamabe said he expected that "Kimigayo" would now be used more frequently at public events, even though "there are still a lot of people who don't like to hear it."

The Education Ministry sparked national controversy last spring when it decreed, for the first time since World War II, that schools must display the red-sun flag and teachers must lead the singing of "Kimigayo" at graduation ceremonies. Many teachers have refused to sing the anthem, and several have been disciplined.

The textbooks just approved by the ministry for use in public and private schools for the next three years are more candid than earlier books in discussing Japan's aggression in the years leading to World War II.

The new texts present brief but factual accounts of Japan's attack on Pearl Harbor, saying that with it, "Japan started the Pacific War" — the common name in Japan for World War II.

—T.R. REID

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Soviet Aid and the Seven

Under the pressure of the calendar, the seven big industrial countries are trying to work out a common policy toward the sinking Soviet economy. It is less than two weeks until the heads of their governments meet in London for their annual economic summit, and Mikhail Gorbachev himself will be there. The seven would very much like to work out beforehand an agreed answer to the barrage of requests and exhortations with which Mr. Gorbachev is going to confront them. When the finance ministers of the seven met last month, their job was to establish the basic position. They will offer the Soviets associate membership in the International Monetary Fund, they said. It is a sort of halfway status that would give the Soviets access to the IMF's advice and its substantial technical resources without allowing them to borrow from it.

That is exactly the kind of help that the Americans and British consider appropriate, at least for the present. Participation in the IMF would draw the Soviets more deeply into the financial and economic practices of the industrial world.

But providing large amounts of money is another matter. President George Bush was willing to approve $1.5 billion in loan guarantees enabling the Soviets to buy grain, partly to mitigate the immediate threat of hunger there and mostly to please farmers in the United States. But the administration fears that large loans for general economic support would only allow the Soviets to hold on to habits that need to be changed.

Not all of the seven agree. Willingness to lend to the Soviet Union, and fears of economic chaos there, are proportional to proximity to Moscow. The Americans, British and Japanese watch events there with detachment. The French and Italians are more uneasy. The Germans, who have already provided huge loans, are prepared to do much more. Russians cannot walk to Washington. But driven by duress in a collapsing economy, a great many of them might start trudging across those increasingly open borders toward Berlin.

At their summit meeting in Houston a year ago, the seven instructed the IMF and several other international agencies to carry out the study of the Soviet economy that appeared last winter. It concluded that substantial aid would have to wait until the Soviets decide for themselves on the necessary reforms and actually begin to put them into effect — freeing prices, clarifying property rights, encouraging private business and competition. But whether to go that far is precisely the issue in the tremendous debate now underway in Moscow. Until and unless it is settled in favor of radical change, the world will have only a limited ability to help.

— THE WASHINGTON POST.

An Experienced Nominee

Judge Clarence Thomas, who was nominated Monday by President George Bush to fill a vacancy on the Supreme Court, has been a well-known and sometimes controversial figure in the government for more than a decade. But even those who have disagreed with him on policy grounds will concede that his life, which began in extreme poverty, has been one of accomplishment. If confirmed, he would bring to the court a range of experience not shared by any other sitting justice.

Conservative black Republicans are rare, and Judge Thomas's performance in high-visibility civil rights jobs in the Reagan and Bush administrations was watched carefully. His actions in these positions will surely be the focus of the Senate Judiciary Committee's inquiry, which will begin soon.

The terrain is not unfamiliar, however. Only 18 months ago he went before the same panel to be confirmed in his present position on the U.S. Court of Appeals for the D.C. Circuit. Senator Howard Metzenbaum, a Democrat of Ohio, initiated a thorough investigation, listened to every group and individual with a grievance, sifted through thousands of documents and was nevertheless able to persuade only one other senator to join him in voting against approving the nomination.

This time the stakes are higher and the questioning will go beyond his record in the government to his broader judicial philosophy. Groups that chose to sit out the last confirmation battle will surely be involved this time.

Judge Thomas is the first person nominated to the Supreme Court who was born after World War II. He is only the second black named to that position. But it is his personal background that would bring the most important element of diversity to the court. Justice Thurgood Marshall, the only black to have served on the Supreme Court, certainly knew discrimination and adversity, but he was the product of a stable, working-class family living in Baltimore. Judge Thomas was raised in rigidly segregated Georgia by grandparents who he says were functionally illiterate. Nevertheless, they managed to provide him an education, a disciplined and loving home and the encouragement necessary to convince him that he could succeed.

He said on Monday that he wanted to be "an example to those who are where I was." On the court, he could be more. He could add, if he chose to, a welcome and much needed sensitivity on issues of race and poverty.

— THE WASHINGTON POST.

Bases That Need to Close

A federal commission's recommendations for shutting 25 more military bases have caused understandable anguish in the communities that will lose thousands of jobs and millions in income. But closing bases is as necessary as it is painful. The commission did its unpleasant work with intelligence, compassion and admirable independence.

The commission was created by Congress to handle a hot potato that the members of Congress were afraid to handle themselves. The seven commissioners did not look too comfortable doing it, either. They sat in open session all day Sunday and into the night — gavel-to-gavel on television — discussing, debating and finally casting their fateful votes. It was high drama, and a rare display of decision-making in the open.

The commission received the Pentagon's list of proposed closings in mid-April. In 10 weeks, the commissioners mastered a mountain of information. Courageously, they kept both the Pentagon and the politicians at arm's length, challenging the military's arguments for closing the bases as coolly as they examined local pleas to keep them open.

It is no mystery why Congress ducked this chore. Thousands of jobs are at stake. Small towns and big cities long dependent on huge bases like Fort Devens in Massachusetts, Long Beach Naval Station in California and the Philadelphia Naval Shipyard will have to build a new economic base. Families will have to build new lives. But there is time. The closings will come gradually, over several years, and the Pentagon stands ready to help with the adjustment.

The commission's recommendations are only the first step. President George Bush, who has two weeks to accept or reject the whole list, says he is likely to accept it as is, even though it differs somewhat from the Pentagon's. It will then be Congress' turn to accept or reject the whole package.

Some members with targeted bases will try to scuttle the whole procedure. There were unsuccessful attempts to kill the first round of closings in 1989, and there are already signs of scheming against the new list; for example, defenders of the Philadelphia yard are pushing appropriations for ship repairs to keep it going.

The overriding consideration is, and should be, wasted taxpayer dollars. It sounds cruel to yank the props out from communities whose livelihood depends on the military's presence, but continuing to pour hundreds of millions of dollars into installations that are now obsolete is inexcusable.

— THE NEW YORK TIMES.

Other Comment

Yugoslavia and the EC Ostrich

Hectic, clueless, muddled and contradictory — that's how the 12-nation European Community stumbled through its first major test since the end of the Cold War and rebirth of Europe. The result is worthy of its exertions: The ostrich remains the heraldic animal of the Community.

The hot iron has only been put aside, in the hope that somehow, sometime, it will cool off by itself. That this is a false assumption is known not only to the Slovenes and Croats who no longer wish to live in a federal Yugoslavia, and who can no longer do so after the massacre of the past days. The Serbs, who continue to dream of a Great Serbia, know it, too, as do some clairvoyant European governments, especially Austria's.

On top of that, the EC [delegation to Yugoslavia] also decked itself out in borrowed plumes. It takes a great deal of blind faith in the short memory of the public to sell the mediation proposals of others as one's own success: The three points to which Zagreb, Ljubljana and Belgrade agreed had been presented by Yugoslavia's Prime Minister Ante Markovic last Friday.

— Süddeutsche Zeitung (Munich).

The EC government leaders who met for a summit in Luxembourg want to decorate themselves with laurels and exclaim that sending a delegation of three leading EC foreign ministers — from Italy, Luxembourg and the Netherlands — to Belgrade definitely helped. They believe that the central government in Yugoslavia's capital realized the gravity of the situation when the Community intervened. But in reality one has to ask the question whether the attack against Slovenia was not really possible because of the position of the United States and the Community.

— Welt am Sonntag (Hamburg).

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OPINION

Settle the Yugoslav Dispute in an International Court

By William Pfaff

PARIS — The world has yet to find an answer to the end of empire. No one regretted empires' going, but no one appreciated the ruins they would leave behind.

Three great empires were destroyed by World War I: the Austro-Hungarian, Ottoman and Russian. Four more fell as a consequence of World War II. Most of the people who were subjects of those empires have probably lived worse lives since. Most have not even been free, despite their "national liberation."

The people of Balkan and Eastern Europe expected to be better off with the Hapsburgs and Ottomans gone. Whether they eventually will be so is not yet possible to say. Stalinism froze them in totalitarianism for a half-century.

The fundamental condition of this region is of nationalism without nations. Nowhere are national boundaries solidly established, universally recognized, coterminous with the geographical implantation of a single people: a single ethnic and language community that considers itself a nation. Poland is perhaps the closest — after vast killings and population transfers — but there still are ethnic Germans in Poland, and trouble about them. Hungary is itself coherent as a nation, but a large number of Hungarians live in Romania, and some in Yugoslavia.

Yugoslavia was an artificial grouping of nations from the start.

Yugoslavia is breaking down because of its national contradictions. Woodrow Wilson's idea had been that ex-imperial Balkan and Eastern Europe could be parceled out into distinct nations. Millennia of westward migrations by the European peoples, however, had left the region in a condition where that was impossible, so eventually everything had to be approximation. The situation was worsened by romantic nationalisms that held a given nation to possess a redemptory mission to mankind and thus to be superior to others.

The United States and the European democracies have decided to oppose the current breakup of Yugoslavia and they have refused to give recognition to independence for Slovenia and Croatia. This is a defensible policy that rests on the belief that to do otherwise would speed the disintegration not only of Yugoslavia but of Czechoslovakia and the Soviet Union, bringing unforeseeable risks.

In Yugoslavia, however, this Western policy encourages Serbia to use force to hold the two dissident nations inside the union. Hence it encourages violence.

Yugoslavia was an artificial grouping of nations from the start. Conflict was built into it because of the country's three hostile religions (Orthodox, Catholic, Muslim) and the ancient Serbian-Croatian rivalry that the new Yugoslavia internalized. As Paul Lendvai remarked in the journal International Affairs this spring, "Yugoslavia is a country without Yugoslavs." Only 5 percent of the population so identified itself in the 1981 census. The rest identify themselves with the individual republics or as Muslims.

If the several Yugoslav nations will not coexist, then their separation has to be negotiated — or adjudicated. It is a fact to remember that more Yugoslavs died during World War II fighting one another than fighting against the German and Italian occupying armies.

An important proposal has been made by the former justice minister of France, Robert Badinter, now head of the French constitutional court. He argues that the international community should do its best to get not only these Yugoslav disputes of sovereignty and territory but also the much wider range of conflicts developing in the East into adjudication or formal conciliation in an international court.

He thinks there should be a new European court to handle conflicts that do not fall under the jurisdiction of the International Court of Justice at The Hague (disputes between sovereign states) or the Council of Europe's European Court on Human Rights, whose jurisdiction is recognized by more than 20 countries. Yugoslavia belongs to the council, and thereby has accepted "the principles of the rule of law and of the enjoyment by all persons within [its] jurisdiction of human rights and fundamental freedoms."

Mr. Badinter argues that the quality of a dispute changes when it is submitted to a tribunal, because to win in a court requires rational argument. Political negotiations, on the other hand, risk polarizing and politicizing disputes beyond what already is the case, provoking uncompromising nationalisms and feeding emotional commitment. Parties then look for allies and enlarge the dimensions of the quarrel.

Yugoslavia's conflict cannot go to The Hague because it is legally an internal matter. If the sovereignty of Slovenia and Croatia were recognized by the international community it could, in principle, and there could be an adjudication of frontiers. The rights of national minorities inside the new states already are matters of Council of Europe competence.

Everyone recognizes that the international interest demands a peaceful settlement in Yugoslavia. The legal road is another one that could be followed in the search for a settlement. An urgent need exists for still stronger action by the United States and West European governments to persuade Yugoslavs to reason rather than continue fighting.

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Why Is America Backing Away From Its Principles?

By Michael Scammell

ITHACA, New York — How is it that whenever some small European nation seeks to establish freedom, democracy and independence for itself the United States invariably backs away from these principles and turns a blind eye to its suppression by force? This happened with Poland in 1953, Hungary in 1956, Czechoslovakia in 1968 and Poland again in 1980. The Baltic states of Lithuania, Latvia and Estonia have hardly fared any better, and now it seems to be the turn of Croatia and Slovenia.

U.S. opposition to their aspirations is said to be motivated by a need to preserve Yugoslavia's "unity and territorial integrity." Secretary of State James Baker says he is convinced that "separation will lead to violence" and that we "will not reward unilateral actions."

The reasoning seems to be that if Slovenia and Croatia persist with their plans for more independence, the federal authorities in Yugoslavia will be justified in further use of the army.

Dark hints are also being dropped about Greek and Bulgarian designs on Macedonia, Albanian claims on Kosovo and even Italian claims on Istria, while U.S. statesmen are fond of recalling, with divine irrelevance, that "World War I began in the Balkans." These arguments are bogus. Talk of preserving the territorial integrity of Yugoslavia would make some sense if the country were threatened with invasion — as seemed to be the case after the break with the Soviets in 1948. But that threat has disappeared.

As for Balkan irredentism, more or less democratic revolutions have taken place in every one of Yugoslavia's formerly Communist neighbors. These small states, all with shattered economies and huge social problems, have neither the means nor the will for expansion or conquest. If Greece and Italy actually presented a problem, which is doubtful, they could easily be restrained through their membership in the European Community.

The situation in Yugoslavia offers a rare opportunity for the United States and the European Community to bring about constructive change. It is true that the Serbian government is wedded to violence, as its brutal suppression of Albanians in Kosovo demonstrated. It has also manipulated the federal presidency to suit its own ends and is clearly behind the federal army's decision to invade Slovenia.

But the present U.S. policy of insisting on federal unity at any price and rigidly refusing even to consider Slovene and Croatian demands constitutes a submission to Serbian blackmail.

While the Soviet Union was in its expansionist phase, U.S. passivity toward Eastern Europe was understandable, if not forgivable. But in the Balkans the Soviet Union is no longer a player, and Serbian power cannot be compared to that of the Soviets.

The Serbian economy, also in ruins, depends on Western credits. Serbia is an anachronism — an authoritarian island in a sea of nascent democracies.

All this presents the United States with a choice. It should tell the Yugoslav republics that it supports efforts to introduce political pluralism, a market economy and legal safeguards for minorities. This should be made clear not just in words but in deed.

This would mean support for Slovenia and Croatia, where these principles are observed far more than in the rest of Yugoslavia, and unequivocal opposition to the violence, corruption and repression of the old Communist model, even if it is done in the name of a unitary state.

America can do this by placing conditions on further economic aid to Yugoslavia. And the United States should go further and exert greater leverage by discriminating between republics that honor democratic principles and those that do not. Paradoxically, such a policy would be far more likely to preserve Yugoslavia in its present form than tacit support for armed force.

The Slovenes and Croatians need reasonable assurance that they can progress at least in step with the other countries of Eastern Europe.

The writer, professor of Russian literature at Cornell, is a frequent visitor to Yugoslavia. He contributed this comment to The New York Times.

America's Federalism Is Ignored at the New Democracies' Peril

By David S. Broder

WASHINGTON — The text for this year's Independence Day column does not come from the Bill of Rights, even though we celebrate its bicentennial with ever-increasing appreciation for its guarantees of freedom. It does not come from the writings of Justice Thurgood Marshall, even though his departure from the Supreme Court removes a jurist and a symbol of dedication to those freedoms who cannot be equaled — or replaced.

The neglect of this principle and its current applications is astounding, for it represents one of the great intellectual breakthroughs of the constitution.

This year's text is drawn from a very different source, the newspaper column which Alexander Hamilton wrote 204 years ago when the ratification of the constitution was being debated in New York. It comes down to us as Federalist Paper No. 9.

This is what Hamilton wrote:

"A firm Union will be of the utmost moment to the peace and liberty of the States, as a barrier against domestic faction and insurrection. . . . The proposed Constitution, so far from implying an abolition of the State governments, makes them constituent parts of the national sovereignty, by allowing them a direct representation in the Senate, and leaves in their possession certain exclusive and very important portions of sovereign power. This fully corresponds, in every rational import of the terms, with the idea of federal government."

The "idea of federal government," I submit, is the most vital — and scarcest — ingredient in today's effort to attain a "New World Order."

Look around the world and what do you see? From Canada's struggles to accommodate the separatist impulse in Quebec to Moscow's battle with the breakaway movements in the Ukraine, Georgia and the other republics, great nations are wracked by internal conflicts. Almost everywhere one focuses, ethnic, regional, cultural and political disputes divide countries. The battle between the Serbs and Slovenes in Yugoslavia is the bloodiest at the moment. But in recent months, Kurds have struggled with Iraqis, blacks with Afrikaners, Tibetans with Chinese, and so on around the world.

Americans are spared that grief because the founders of the United States discovered the principle of federalism and embedded it in the constitution and structure of the government.

We take our federal system of government so much for granted that we rarely pause to consider what a blessing it is. The unique sharing of powers among national, state and local governments is a secondary subject even for scholars of American politics. Richard Nathan of the State University of New York at Albany, one of the experts on federal-state relations, has found little enthusiasm or financial support among foundations for his effort to help teach the principles of federalism to leaders of the newly democratic nations of central and eastern Europe.

Presidents have had no better luck with the subject. When George Bush this year suggested a major shift in resources and responsibilities from Washington to the states, he found Congress no more interested than Ronald Reagan did when he offered a similar proposal nine years earlier.

The neglect of this principle and its current applications is astounding, for it represents one of the great intellectual breakthroughs of the U.S. Constitution. Like everything else that emerged from Philadelphia and that amazing assemblage of young political thinkers, federalism was rooted in practical experience.

The infant United States was a string of former British colonies that had rechristened themselves as states when they decided to fight for their independence. The first national government, under the Articles of Confederation, kept all vital powers in the states and left the nation ill-equipped either to manage international relations or to assure the domestic order needed for economic progress.

The men who gathered in Philadelphia shared the Revolution's distaste for strong central authority but they had learned the frustration of complete diffusion of power to the states. The balance they struck created the most flexible and successful governmental structure in human history — one which has endured for more than two centuries with only four years of civil war to mar its record.

They did so by inventing the concept of dual citizenship — the idea that one could be simultaneously and equally a citizen of New York or Virginia or Pennsylvania and a citizen of the United States. That seems obvious to us, but it was novel at the time and it remains a rarity in the world today.

Each year, we see new demonstrations of the value of federalism, as states set policies on the most contentious and intimate of issues — especially in the social policy area — that satisfy the popular consensus within their borders but which would be bitterly divisive if imposed on the nation. Today's Supreme Court seems increasingly inclined to give weight to those state judgments.

The world is full of examples of the folly of doing otherwise.

The Washington Post.

St. Thomas Jefferson Was the True Bearer of Light

By Edwin M. Yoder Jr.

WASHINGTON — Independence Day is not only a time for flags and firecrackers and all that. It is also America's secular adaptation of the saint's day. And the saint is, of course, Thomas Jefferson — "St. Thomas of Cantingbury," as his irreverent cousin Randolph of Roanoke liked to call him.

It was St. Thomas Jefferson, the patron saint of political equality and government of and by the people, who visited the glorious cant of the Declaration of Independence on the world 215 years ago. Was he the statesman of the millennium? Or the prince of political charlatans? The conservator of small rural society? Or the first of the devastating political rationalists and ultra-revolutionaries? As his contemporaries understood, he was a rich mixture of both.

Devotees of safe, sedate rural conservatism found much to celebrate in the pastoral Jefferson whose only "country" was Virginia, and who in ringing terms decried the dangers of big cities, government borrowing and industrialism. Expansive nationalists could revere the Jefferson who bought Louisiana and spoke of transforming it into an "empire of liberty."

Conservatives applauded when he warned that government should not be changed "for light or transient reasons," and radicals cheered when he pontificated that the blood of patriots and tyrants is the "natural manure" of liberty and added that a revolution every now and then was a good thing. No American saint, unless it was St. Abraham Lincoln, begot a more varied progeny.

But saints are in the world to give us trouble; and Jefferson was no exception. He left a legacy of ideas — above all, the idea that government derives legitimacy from the consent of the governed. — which continues to fire the imagination of all oppressed peoples.

But his political enemies, the high Federalists, were not entirely wrong in their wariness of St. Thomas Jefferson's taste for glowing abstractions. A newspaper publisher I once worked for never tired of teasing me about a reprint of the Stuart portrait of Jefferson that hung on my office wall. Jefferson, he argued, had been a giddy, impractical fellow; and the proof was his wall clock at Monticello, so ill designed that the weights had to be allowed to drop through holes in the floor. Surely no owner of a clock so silly could be sound on anything else!

This anti-Jefferson sentiment seemed less weighty at the time than it does now. The experience of self-government bears testimony that Jefferson's legacy, admired by all, is elusive for most. It was the product of a special and privileged moment in history; and without the reinforcement of the rich English political culture from which it sprang, Jeffersonianism is often no match for tribalism, religious zealotry, racial hatreds, ethnic and linguistic and nationalistic rivalries, political ambition and simple ignorance.

Jefferson had the good fortune to grow up in colonial Virginia, a society where habits of law, responsibility and tolerance (within limits) were deeply entrenched, where slavery afforded an economic base for leisure and study and contemplation. In this climate, sprigs of the gentry like Thomas Jefferson could dream big dreams of universalizing what was theirs by unbought legacy.

Wonderful dreams. But Jeffersonian ideals out of their native soil often wither fast, evidence that a robust political culture is as vital as ideas and structures to the success of democratic government. Saints aren't paid to think such gloomy thoughts, and one wonders if Jefferson ever did — even in his darker moments (after the French Revolution went bloodthirsty before his very eyes, for instance). But they are no less material for all that, even on the Glorious Fourth — St. Thomas Jefferson's own day.

Washington Post Writers Group.

Prince Sihanouk Can Keep the Peace

By James Pringle

PATTAYA, Thailand — At talks here on ending the Cambodian conflict, perhaps the most unlikely image was a champagne toast between Khieu Samphan, the nominal leader of the Khmer Rouge, and Hun Sen, prime minister of the Vietnam-backed regime in Phnom Penh. Khieu Samphan has long regarded Hun Sen, a former Khmer Rouge military commander, as a traitor for switching sides to the Vietnamese. Hun Sen has regarded Khieu Samphan as a mass murderer.

Members of other Cambodian factions and foreign observers applauded the toast as a sign of national reconciliation. To give impetus to the process, Prince Norodom Sihanouk, the former head of state of Cambodia, has said he will act as a bridge between the rival groups.

Under an accord worked out here, the Khmer Rouge, who were driven from Phnom Penh in early 1979 by the invading Vietnamese Army, will return to the capital later this year. They will have two members on a Supreme National Council, the body that will embody the sovereignty of Cambodia while the United Nations arranges and supervises free elections for a new government.

Perhaps the arrival of the Khmer Rouge leaders with armed escorts in Phnom Penh will not disturb Cambodians as much as outsiders believe. During a recent tour of Cambodia, I found that most people wanted only one thing: peace and reconciliation.

While not without flaws, the era of Prince Sihanouk's rule in Cambodia is remembered as a golden age before the horrors of war and the Khmer Rouge killing fields. The prince has seized the initiative and seems determined to restore peace to his country. Now 68, he wants to return to Cambodia to die peacefully and be cremated there. He is conscious of his mortality as well as his place in history.

He may succeed, although much remains to be done to build a durable settlement. Nonetheless, there is now a permanent, although unsupervised, cease-fire in Cambodia. All sides have undertaken to stop receiving foreign arms deliveries.

Pol Pot, the notorious Khmer Rouge leader who remains overall commander of its guerrilla forces, knows that his men are not as strong today as they were before. They have not been able to capture, let alone hold, a provincial capital. So Pol Pot has pragmatic reasons for acquiescing in the new arrangements so that he can conserve Khmer Rouge strength and increase its influence in the countryside.

Hun Sen calculates that the arrival of the Supreme National Council in Phnom Penh will give his government the international recognition it so ardently seeks. He also maintains that the presence of the council will make it unnecessary for the United Nations to adopt an intrusive role in Cambodian internal affairs at the expense of his government.

The Khmer Rouge, in pursuit of a radical Maoist policy when they were in power from 1975 until 1979, destroyed Cambodia. The regime that replaced them, installed by Vietnam and comprising mainly former Khmer Rouge, has done little to rebuild. But despite severe economic difficulties, some party officials and businessmen friendly to them have lined their pockets.

While a minority in Phnom Penh is prospering, most of the 8.3 million Cambodians face a daily struggle for existence with insufficient food and little or no health care. Almost nothing has been done to bring progress to rural areas. This neglect can only benefit the Khmer Rouge.

Prince Sihanouk is, therefore, likely to be the sole winner in a national election. That is why both sides want him in their camp. It gives the prince unique room to maneuver. He now has a chance to save Cambodia by bringing it back from the brink of deprivation and despair.

The writer, a former correspondent for Reuters and Newsweek in Asia, contributed this comment to the International Herald Tribune.

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IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1891: Art Is for Men

PARIS — The Higher Council of Fine Arts met yesterday [July 2] under the presidency of M. Bourgeois, to discuss the report of the committee appointed to consider the question of giving State aid to the education of women in the higher branches of art. The Council decided that it would not be possible, under present circumstances, to admit women to the studios of the Ecole des Beaux-Arts, but recommended the Administration to endeavor to make provision for the education of women.

1916: Allied Advances

PARIS — In the great Western front battle, which has now been raging with undiminished fury for forty-eight hours, the Franco-British troops yesterday [July 2] paralysed all German efforts to parry the Allied thrust at the heart of the invader's front, and brilliant new progress was realized by both the French and British armies. North of the Somme, the French, after fierce house-to-house bayonet fighting, carried the village of Curlu in its entirety, while the British made themselves masters of Fricourt and drove the remnants of the defending troops beyond the village.

1941: Stalin's Speech

NEW YORK — [From our New York edition:] Rapidly following on German announcement of the greatest single disaster to Russian Arms, Premier Josef V. Stalin, in a broadcast on all Russian radio stations early today [July 3], admitted that the Nazis had occupied Lithuania, the greater part of Latvia and the western parts of White Russia and the Ukraine. However, he asserted, Adolf Hitler's army will be beaten. He said everything must be subordinated to the task of crushing the enemy. He appealed for more production of munitions, a ruthless struggle against panic mongers and the mobilization of all means of transport.

OPINION

In a War Without End, 40,000 Casualties a Day

By A. M. Rosenthal

NEW YORK — There's no real news in this column except maybe that before tomorrow morning about 40,000 people will die who should have lived quite longer. These people are under 5 years old.

The day after, about the same number of small people will die — give or take a thousand or two. And the day after that, and so on and so on, throughout the year. If you put it together, and multiply 40,000 by 365, would that be news, maybe worth writing, or reading, a column?

The children will die of disease, hunger and neglect. Most could have been saved with medicine, food, money and attention if only it had been provided. To allow people of any age to die when they could be saved is moral slaughter, a reality almost too obvious to pronounce.

But I am writing this about the slaughter of the infants not because I have suddenly become a better, wiser or more moral person, but essentially for a selfish reason.

This morning I realized that unless I wrote at once about information that had just come to me in a heavy packet from Geneva I really could not get on to another column. That happens once in a while — a journalistic block caused by an acute attack of a sense of values.

The package was from the World Health Organization. I had asked for updated information on the casualties of the war without end, the war against starvation and disease. The articles and statistical tables are clear to anybody who can spare a few hours for 40,000 children — that is, 40,000 a day.

Of course, as the WHO tables show, adults, too, die of preventable or curable disease and malnutrition. But of the annual total of 50 million victims, a third have not lived to their fifth birthday. The chance of living beyond the age of 5 in those countries where children have big bellies and lolling heads is 1 in 8. Two-thirds of the dead did not reach their first birthday.

About 10,000 a day die after one week — one week. Nothing mysterious here, no unexplained crib deaths. It is simply that their mothers did not receive sufficient "quality of care" during pregnancy and delivery. Insufficient quality of care means not enough food, medicine or clean birth cloths and water.

Every day about 8,000 children die because the countries in which they were born are unfortunate enough not to have vaccines against preventable diseases. Many of these countries have leaders so preoccupied with killing their subjects that they are too busy to think of saving their subjects' children.

And of course there is AIDS. Half a million cases among women and children. Soon new tables will be necessary, because in this decade AIDS will kill 3 million women and children. About 10 million children will become AIDS orphans.

How many children die because they were born into families that had no prayer of feeding them, for lack of population-control information or contraceptives?

And how many die of the disease called national politics? How many were put into their graves because of warfare among parties, regions and tribes that forced their parents to live worse than animals in the field, as their babies died? What killed these children and their parents — bacteria, our unconcern or leaders who are called "your excellency" when they come to preen at the United Nations? Most often, I suppose, all three.

A great opportunity arises for the United Nations. Surely it does not need another politician, diplomat or civil servant to become the next secretary-general, a job opening soon. It needs a scientist or physician of renown to take the lead in the war without end, a man or woman wise, strong and true enough to do that and also to handle with honor the marginal diplomatic role of the secretary-general.

In a short time, a search committee could produce a new kind of secretary-general, one who would keep our attention on children who die every year before they are 5, on their parents and on their killers — viral, economic or human. Say a month — which would be 30 times 40,000, give or take a few thousand.

The New York Times.

Will We Heed the Signs in the Vineyard Roses?

By Janna Malamud Smith

SOMEONE ONCE pointed out to me, in Italy, that winegrowers planted rosebushes at the end of each row of grapevines. At first I thought this was a charming example of Italian aesthetics. Not at all. Rosebushes are more sensitive than grapevines to the mildew that can destroy a harvest. In vineyards everywhere, the bushes serve as telltales, warning winegrowers so that they can mobilize to save the vines.

So, too, the patients with whom I meet in our neighborhood clinic manifest the harm of bad economic and social practices before the rest of society does. Because their situations are more precarious, their well-being is more easily destroyed. But lacking the common sense of winegrowers, the government ignores these people, dehumanizes them, isolates them and implies that their difficulties stem from their own failings rather than from any larger social problems.

"The government doesn't care," says one of my clients. It seems she's right.

An advantage of working for the past dozen years as a psychiatric social worker in a neighborhood clinic in Massachusetts is that I have had the opportunity to get to know many poor people. I know them intimately, and for years at a time. Some are working poor; others cannot work, scraping by on aid for families, supplemental security income or general relief. In the past year or so, as the recession has settled in, their circumstances have worsened. Because they had so little to begin with, this deterioration has been sad to behold.

Food stamps no longer keep pace with costs; few of my clients make it through an entire month without running out of food. Sometimes they get flour or canned goods from the free-food pantry so they can eat something when they're broke. Sometimes a friend will feed their kids along with her own. The worry alone makes a hard knot in the belly and summons terror — often childhood memories of times when there was not enough food and they feared that they might never eat again.

The difficulty of achieving a secure life is increasing — for the poor and for the working class and the middle class.

I make a house visit and sit with a mother and children who have nothing to eat. The mother laughs a subdued and rueful laugh. She quit doing drugs more than a year ago so she could take better care of her kids. As soon as her check comes, she pays bills, buys groceries and that's it — there is nothing left. She tries to save enough money so she can buy more groceries when they run out toward the end of the month, but something more important always comes along. A child needs a few dollars for a school field trip, or tears a pair of pants, or something. Always something. And the food money is the family's only discretionary money.

Another client comes into the clinic. We begin by checking to see whether this is the week when she needs to go back into the hospital. She has been on the edge of a psychotic breakdown since her boyfriend lost his job a few months ago. She is too ill to work right now, but instead of being able to focus on recovering, she is deteriorating. It's the pressure of bills, hunger and looming homelessness.

The next day I meet with a woman who has recently become more depressed. It seems that the recession has dealt her son a tough blow. He had brought himself back from heroin addiction, alcoholism and homelessness, and was a few terms short of a college degree. He had been attending school faithfully, working hard and doing well, but just when he was in sight of his goal, the funding for his program was cut. His mother fears that he is so discouraged that he will return to his addictions, or worse.

Name an issue: housing, day care, education, job security, health care. The difficulty of achieving a secure life is increasing — not just for the poor, but for the working class and the middle class, as well.

The problems that now make misery for the poor will soon haunt us all. Only by aggressively fighting to ease the lot of those most at risk will we preserve our own futures.

Any winegrower would know that.

The writer, a psychiatric social worker in a Massachusetts public mental-health clinic for 12 years, contributed this to the Los Angeles Times.

Getting Off the Campaign-Trail Bus

By Richard Reeves

NEW YORK — The Federal Election Commission, a toothless old tiger that is supposed to have something to do with the integrity of presidential elections, actually bit somebody — sinking its gums into the press.

The bite, another screwball demonstration of privatization, will stop most reporters from traveling with presidential candidates. Maybe that's not such a bad thing. It could be argued that reporters on what used to be called the campaign trail became part of the problem rather than part of the solution in the photo-opportunity media-event travels now called campaigns.

"The Boys on the Bus" — the title of Timothy Crouse's book about the traveling press in the 1972 campaign — was fun while it lasted. I was one of the "boys" in those days and there was something to be learned by playing cards with the candidate, as we did with Edmund Muskie. Or talking football with Richard Nixon or staking out the urinal next to George McGovern, as Hunter Thompson did of Rolling Stone did.

But that was the beginning of the end. Since, candidates, particularly the Republicans, have talked only to their media advisers, who are to keep the press as far away as possible and restrict its coverage to one flag-waving rally a day.

MEANWHILE

Campaign coverage is like that of the Gulf war, with the candidates offering exotic backdrops and briefing sessions with press-relations officers. At the same time, newspapers, magazines and television network-news departments came under the control of corporate accountants who judged stories by their unit cost — dollars per paragraph or thousands of dollars per 20-second sound bite. But the bean-counters had a valid question: Why pay so much for so little?

Now the cost will go up even more — at least for the press. What the FEC ruled on June 19, more or less, was that presidential campaigns should force correspondents to pay for things like the travel costs of Secret Service agents, baggage handlers and other campaign gofers.

The Secret Service, which is part of the Treasury Department, refuses to pay the full cost of the squads of agents charged with protecting the candidates. They just say no at the Treasury Department.

In this case, there is an Air Sununu touch to squeezing first the candidates and now the press: Like the White House chief of staff, Secret Service agents (or their bosses) pay only first-class fare for the dozen or so agents on each chartered campaign plane. That amounts to only a fraction of the real per-passenger costs of planes chartered for $30,000 an hour or more. It was the Democrats who complained about the unfairness of the campaigns paying the difference, subsidizing the expenses of government employees.

"You're right," said the FEC. "Let the press pay the difference."

Now most of the press is going to just say no. Reporters already pay in proportion to the actual charter costs — at least double most first-class commercial rates. The daily air bill of campaign correspondents can run to more than $10,000 — just for a seat hopping from city to city to hear candidates say the same thing and evade the same questions.

It's time to get off the plane, and off the merry-go-round. Journalists would be better off doing their own thing. The country might be, too. The networks could send one pool crew to follow each candidate and share the pictures as backdrops for their own reporting and analysis. Both television and newspapers could make their own determinations of the issues of the day, sending out their people to research and document what they think is relevant about drugs or education or military spending. Then they could ask candidates to respond to those concerns. If the candidates decline or refuse, that's fine — worth a line in the article or script.

There is nothing new about this; it's just a role-reversal. Candidates now set up their own "theme weeks" or "theme days" and refuse to talk about anything else, more or less forcing the press to run candidate-selected images and words. The ideal of modern campaigns is to program and discipline the candidate and control the press, so the candidate never has to answer a question. The perfect candidate is nothing more than a walking, talking poster.

What the new campaigns could look like was demonstrated last week by ABC News in a series of reports from Columbus, Ohio, on the neglect of children in the United States. The series was important because, in addition to being well done, it confronted politicians and others with independent information and images. The sad truth is that usually the great bulk of American news is generated by politicians standing in front of tame TV crews or handing out press releases to Washington reporters with their tails wagging gratefully.

News organizations should not have to pay tribute to the government for the privilege of covering politics. And I don't think most will. Jet journalism was fun, but the price is too high and it's not doing any of us much good. Let politicians try the thing most of them most dread: Being alone.

Universal Press Syndicate.

On 'Macbeth' and the Fort Dix Stride

By Ralph Schoenstein

PRINCETON, New Jersey — The U.S. Army almost closed Fort Dix, the place that turned so many of us into semiprofessional killers.

Reserve training will continue, but on a smaller scale.

I was drafted late in the Korean War, when we knew it would be a tie, and was sent for basic training to Dix's 60th Infantry Regiment.

Its motto, "To the utmost extent of our power," was almost as unwieldy as I, a flat-footed, scrawny college graduate who knew the army was something to be mocked while you made notes for your first book.

One morning at the rifle range I had just put down my M-1 to write in the notebook I always carried when I heard the charmless Southern drawl of Master Sergeant Henry Hyder: "Well, the secretary o' the army, Young trooper, you know what your enemy is writin'? He's writin', 'It's gonna be real easy to kill that jackass with the notebook.' You one o' them damn English majors?"

"Actually," I said, "I had a double..."

" 'Cause the enemy's got no English majors. Just Chinese majors who are gonna blow off your head."

I felt ashamed, and from that moment on instead of mocking this man with the sharply pressed fatigues and the Combat Infantryman's Badge, I tried to please him.

A few days later at bayonet practice, after I attacked the dummy with pacifist stabs, he said, "Young trooper, you know what kind o' killer you are?"

"What kind, sergeant?"

"The kind that's gonna make the enemy die laughin'. Now lemme hear you say it like a man: Who are you?"

"A killer!"

"A lady killer? A weed killer?"

"No, sergeant. The other kind."

"Remind me to put a bet on the Chinese."

He was daring me to be a soldier. For the rest of basic training all I strove for was his respect.

One icy afternoon on march in our final week I gave in to fatigue and fell behind my platoon.

At once Sergeant Hyder was there, saying: "Young trooper, you goin' somewhere on a pass? An' just when I was startin' to think you had a chance to be a soldier."

Galvanized, I ran back to my platoon and never again broke stride.

At the end of the march, Sergeant Hyder gave me a little smile and I felt as though he had given me a silver star, something I'd gotten only for spelling.

I'm glad that Defense Secretary Cheney, who wanted to close Fort Dix and sell the land, didn't get his way.

How melancholy it would have been to imagine a condominium, Utmost Estates, on the spot in New Jersey where I learned there was more inside me than the metaphors in "Macbeth."

Mr. Schoenstein is author of "You Can't Be Serious: Writing and Living American Humor." He contributed this to The New York Times.

LETTERS TO THE EDITOR

On Sharing Jerusalem

Perhaps everything that might advance the possibility of peace between Israel and the Palestinians has already been thought of, but two important points have not received any public attention.

First, recognizing the sovereignty of one state over an area does not preclude political arrangements guaranteeing people from another state the right to settle there. A peace treaty could guarantee Israeli citizens the right to buy and live on land in the state of Palestine, with civil protections but not citizenship or voting rights. Corresponding rights to settle in Israel could be guaranteed to Palestinians who are not citizens of the state of Israel. Such a solution would satisfy the historical aspirations of those of either people who wish to be able to live anywhere in the region, but would protect the integrity of two ethnically distinct states.

Second, although Israel's control over an undivided Jerusalem is not a subject open to fruitful negotiation, that does not prevent Jerusalem from being the capital of Palestine as well as of Israel. There is no reason why one city cannot serve as the seat of government for two neighboring states. If it seems a contradiction in terms for a capital of one state to be under the sovereignty of another — and I do not believe it is — the solution is simply to word the peace treaty in a way that gives Israel the incidents of sovereignty but without using the word. Israeli control of Jerusalem is not threatened by the presence of the mother Armenian church; nor would it be by the presence of the Palestinian parliament. Such an arrangement will not give the Palestinians all they want, but it is likely to be the best they can do.

RICHARD D. FRIEDMAN.
Ann Arbor, Michigan.

To Wake Up Congress

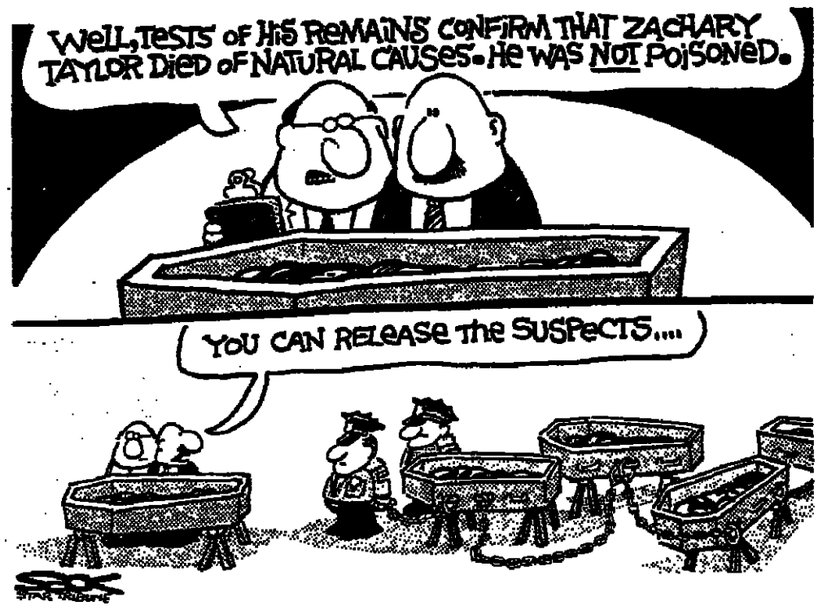
Here's a suggestion to solve the problem of a lazy Congress: Limit the terms of the House of Representatives to three and those of the Senate to two. To get this done in Congress as it is now elected would be like having it cut its own throat. But it might be done by having each state make the limitations on any candidate running for a congressional seat. A long shot at best, but the result would certainly be a more aggressive Congress.

JAMES B. FLEMING.
Obersteigen, France.

He's Not Here, Too

It was quite amusing to read John Kelso's column praising the witty name of the Texas bar "He Ain't Here" *(June 25)*. But let's set the record straight: This is by no means an original idea. Just ask residents of Chapel Hill, North Carolina, about their town's outdoor beer garden "He's Not Here," known as "He's Not" and whose logo is a telephone with its receiver off the hook. I might add that in the academic setting of Chapel Hill, the owner at least was able to use proper grammar.

CHAD R. PIKE.
Paris.



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AND 50 YEARS AGO

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...941: Stalin's Speech

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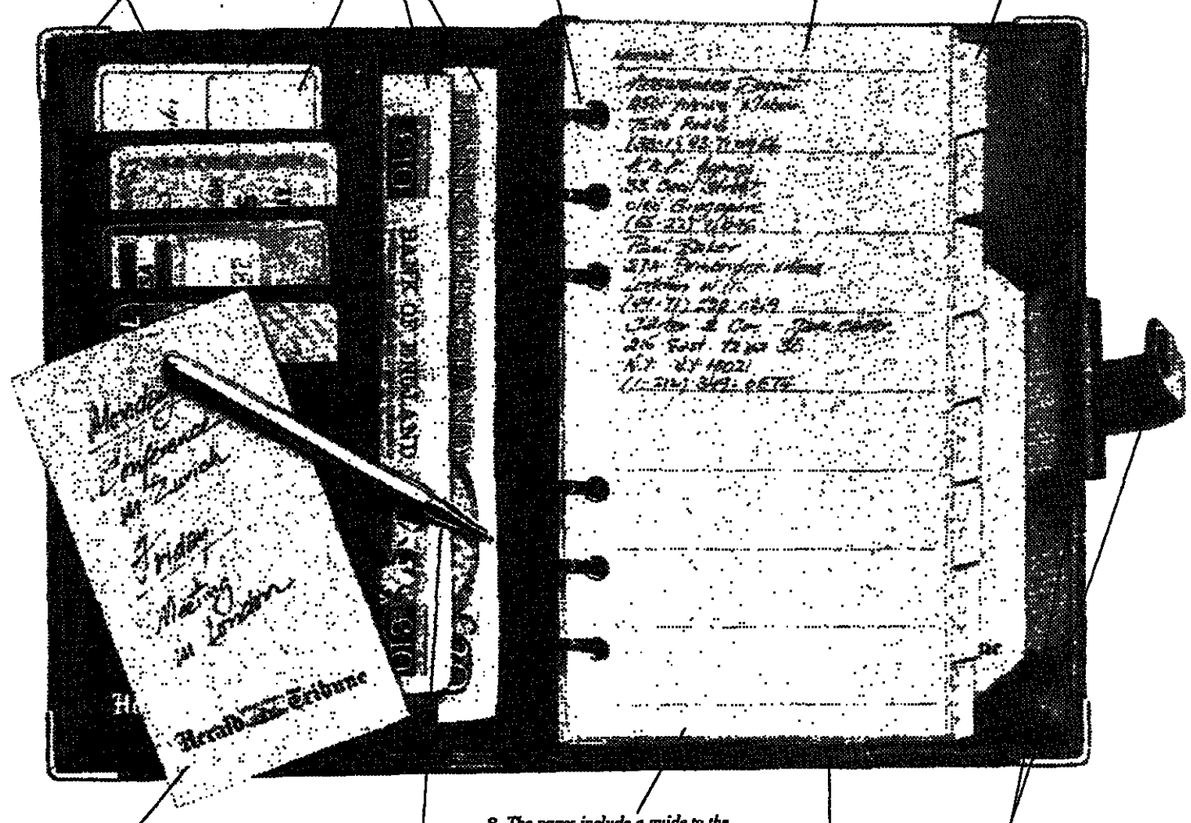

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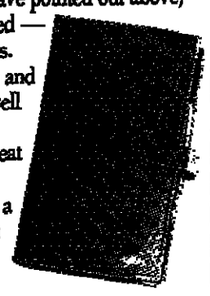

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STAGE/ENTERTAINMENT

LONDON THEATER

A Moral Fable, Hold the Pasta

By Sheridan Morley
International Herald Tribune

LONDON — For theater audiences here over the past 20 years, the two most familiar of Eduardo de Filippo's plays have been "Filumena" and "Saturday Sunday Monday," both staged by Franco Zeffirelli for Joan Plowright in productions that teemed with operatic Neapolitan family squabbles resolved over steaming cauldrons of pasta, cooked so realistically on stage that playgoers would head straight for the nearest Italian restaurant after the show.

But now, to a very different post-Olivier National Theatre, comes a third de Filippo, staged as though the family crises of a war-torn inner-city community were happening not in Southern Italy but instead on Liverpool's Merseyside. The director, Richard Eyre, in inviting a new translation of "Napoli Milionaria" from Peter Tinniswood, has committed the play to a provincial English setting, but one within which he and his immensely strong cast miraculously manage to preserve the spirit if not the spaghetti of the original.

Written in 1945, and first played in that year by de Filippo's own company on its home territory, "Napoli Milionaria" is really a linked set of two one-act plays. In the first, set in 1942, a tram driver called Gennaro feigns death in order to keep a mattress full of ill-gotten gains hidden from the prying of a local police inspector. So far, so farcical, as the usual de Filippo assortment of hyper-theatrical friends and neighbors and cousins noisily establish their own territorial individuality.

But then comes the interval, and with it an abrupt change of mood; two years have passed, during which time Gennaro has been captured by the Germans.

On his escape, he returns to find that his beloved wife and children have grown rich in his absence by a series of black-market thefts and other crimes that have caused considerable distress to everyone except themselves. It is then up to Gennaro to bring them back to a kind of morality, while establishing that so tightly knit a community cannot afford to feed off itself, and it is here that Ian McKellen in that role, the one created in Naples by de Filippo himself, manages a masterly transition from farce to moral fable.

The only problem with this wonderfully warm, touching urban fable is the transposition not directly to Liverpool itself, since the setting remains Neapolitan, but to the speech and behavior patterns of Merseyside. In truth the two cities have very little in common beyond their poverty and their city-state independence from the surrounding nation, and their residents' reactions to World War II were markedly different.

Yet time and again the energy and expertise of Eyre's production, with its cast of 30 and crowd scenes reminiscent of the verve and vigor of his "Guys and Dolls," distracts any criticism, while the performances of Clare Higgins as Genarro's wife, Peter Jeffery as the police chief, Geraldine Fitzgerald as a mad niece and Richard Bremmer as the neighbor who finds forgiveness even after betrayal, form superb support for Sir Ian as he continues a winning streak which, when these last three prolific years of his career are considered, will be seen as the very peak of his classical and modern stage career.

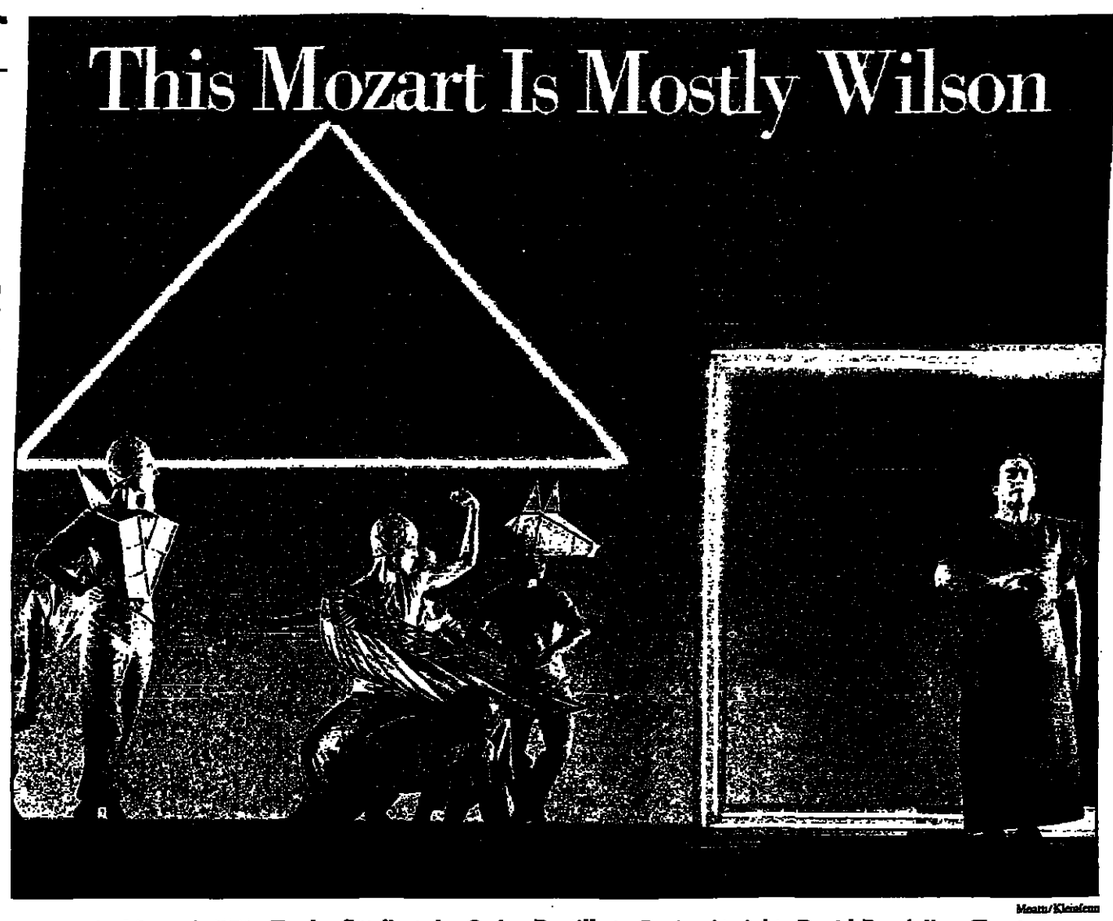
Out at the Theatre Royal Stratford East, Patrick Prior's "The Blackboard Bungle" is a new farce that also owes a great deal to the postwar Italian theater, specifically that of Dario Fo, whose brand of anarchy and political treatise is the clear model here.

Set in a rundown East End state school, where privatization and commercialism have suddenly overtaken the old scholastic principles of excellence in free education, this is an often wildly funny mix of rage and retreat as a benighted headmaster (Bill Thomas) tries to bring his pupils into the marketplace, only to be regularly defeated by his need to hide several hundred balloons and some hot computer equipment from the prying eyes of police and schools inspectors. Clearly Prior is writing from experience of what happens when the accountants take over from the math teachers, but his play is at its best when taking off into random flights of farcical fancy, and never better than when several characters become convinced that a filing cabinet will only open its drawers if they stand around it singing highlights from "The Sound of Music."

John Haynes

Clare Higgins in "Napoli Milionaria."

This Mozart Is Mostly Wilson



Mean/Kleinfenn

A scene in Mozart's "Die Zauberflöte" at the Opéra Bastille in Paris. At right, David Rendall as Tamino.

By David Stevens
International Herald Tribune

PARIS — Hardly any opera in the mainstream repertory gives as much leeway to its staging as "Die Zauberflöte," so it was with high anticipation that Robert Wilson's production for the Opéra Bastille was awaited, in the hope that it would be a worthy contribution to the Mozart bicentennial year and, in passing, rescue the Bastille's first full season from mediocrity and worse. The news is good and bad.

The good news is that this is a triumph for Wilson, the imaginative and acutely sensitive set and lighting designer. He produced a series of striking, beautifully lit, boldly colored stage pictures, sometimes evoking the surreal landscapes reminiscent of a De Chirico or Magritte, and presenting a highly individual picturing of the Masonic symbolism of "The Magic Flute."

Neon lighting is a prime material in this realm of the Enlightenment. The temples of Wisdom, Reason and Nature come as neon-lit geometric forms — a pillar, a square and a triangle, and there is liberal use of pyramidal forms. The scene of the priests, at first prostrate, then slowly rising to sitting and standing positions, is a compelling image of presence in a holy place. The Queen of the Night and her nefarious entourage get their comeuppance from a battery of neon lights descending from on high — Enlightenment pushing the forces of darkness and evil down through a trap to a deserved fate.

The angular movements of the characters, reflecting the Japanese theater influence characteristic of many of Wilson's spectacles, lends an idiosyncratic but not inappropriate grace to the proceedings.

Furthermore, from a technical standpoint, everything seemed to work. The precision of the scenic changes suggested that the potential of the Bastille stage was being realized, that the requirements of an exigent stage director were being met — a state of affairs that has not hitherto been particularly noticeable in this ultra-modern, ultra-expensive establishment.

The not so good news is that all this visual imagination and technical expertise was not really being put at the service of Mozart. Wilson's spectacles, glacial in pace and hallucinatory in atmosphere, have been generally conceived from scratch by himself. But in opera, even in a number opera like the "Flute," the time structure is dictated by the music, and Wilson's use of the spaces between the musical numbers progressively diminished the weight of the music.

Wilson has produced a series of striking, beautifully lit, boldly colored stage pictures.

This is related to the problem of the spoken dialogue between musical numbers. The extensive spoken text was aimed originally at a specific audience, Vienna 1791. It is usually cut heavily, with no great loss, although in German-speaking venues it can still get laughs.

Here it was not just cut, but what remained was amplified and manipulated so that the voices came out exaggeratedly high or low, fast or slow, and much of the time no more comprehensible than the spoken texts of Japanese theater are to Westerners. Much of the space between the musical numbers was not filled with dialogue at all, but with Wilsonian dream-like, slow motion movement, accompanied by a variety of recorded pops, crackles and other noises. Surtitles — the latest visual aid in the opera world — might have helped a non-German-speaking audience, but here they were delivered so parsimoniously as to be useless.

Armin Jordan's tempos were on the leisurely side, not a handicap in itself, but the conductor seemed to be largely detached from what was taking place on the stage. In the early scenes orchestra and singers were not always in agreement. The impression was that stage director and conductor were not on the same wavelength. The situation was reinforced by the strong amplification of the spoken parts, while the singing, in normal acoustic conditions, sounded remote by comparison.

Nonetheless, there were marvelous visual images. The Queen of the Night zoomed around supernaturally on top of a mobile pillar. She and her sidekicks, the Three Ladies and Monostatos, were costumed by John Conklin in gaudy outfits that would not be out of place in some of the funkier, postmodern haute couture extravaganzas, in contrast to the simple, vaguely oriental robes of the other characters.

David Rendall, once over an initial shakiness, was a strong, heroic Tamino, and Cynthia Haymon developed gradually into a radiant Pamina. The Norwegian bass Carsten Stabell, was a youthful and vigorous Sarastro, and Wolfgang Schöne delivered the Speaker's lines nobly. Ewa Malas-Godlewska managed the Queen of the Night's pyrotechnics with admirable aplomb from her precarious elevation. But Christian Boesch, the reigning Papageno in Vienna and Salzburg, was decidedly off form, albeit encumbered by a headpiece that made him look more like a bird than a bird-catcher. Andy deGroat devised an innocuously attractive ballet for the animals responding to Tamino's flute.

Wilson got marvels of agility from the three choirboys from Bad Tölz, but what can one say of a "Magic Flute" in which the three boys, however adorable, get more curtain-call applause than anyone else?

The New Man Chez Molière

Ruling a More Relaxed Comédie

By Thomas Quinn Curtiss
International Herald Tribune

PARIS — Jacques Lassalle is completing his first season as administrator of the Comédie Française, which has changed a lot since he first encountered it. So has he.

Coming from his native Clermont-Ferrand at 20 to enroll at the Conservatoire, he made his debut as an extra at the Salle Richelieu, its boards hallowed by memories of the great players of France.

"Feudal hierarchy reigned then," he recalled. "Beginners were instructed to bow low when *sociétaires* [the company's established actors] passed by, and they never responded. After a time I felt I had taken the wrong path; everything at the Française rested on stiff traditions, all was too academic and too conformist for me. My heart was with the rising directors: Jean Vilar, Roger Planchon, Jean-Marie Serreau and others who were inaugurating a new approach to the stage. So I abandoned the theater to study modern literature."

Now, at 55, he has acquired a velvet suavity that matches his smooth comments and alert eyes. His manner is that of a genial but cautious diplomat as he talks of his works and his plans.

"It seems to have become a policy to replace Comédie Française administrators with one opposed to his forerunner's theories and practice," he remarked. "I appear to be an exception to this rule. I hold my predecessor, Antoine Vitez, in highest esteem. During this first year of my administration we have fufilled the entire program he outlined before his death. Another play he hoped to introduce to French audiences is 'Masquerade' by the 19th-century poet Mikhail Lermontov. The Russian director Anatoli Vassiliev has been engaged as its metteur-en-scène."

LASSALLE, too, has a favorite foreign play that he wants to add to the repertory. This is Hugo von Hofmannsthal's satirical comedy "Der Schwierige" ("The Difficult Man"), virtually unknown outside German-speaking countries.

"Not so long ago the repertory of the Comédie Française contained some 30 plays," Lassalle recounted. "It then had the Odéon as its second house, but we are without a second theater just now.

"We are to have the Théâtre du Vieux Colombier, which is being restored and will be ready in December 1992. It is a historic monument. It was there that Jacques Copeau formed his company, which included Louis Jouvet and Charles Dullin before they rose to direct their own companies and theaters. The Vieux Colombier is envisioned as an experimental studio."

Lassalle's directorial technique is of a refined subtlety. He avoids underlining the obvious, knowing that the heavy emphasis turns to caricature.

In his reflections on Marivaux, he has written that to say the most one must reveal the least. He applies this in his current staging of "La Fausse Suivante" ("The False Companion"), a sparkling comedy in which a young heiress disguises herself as a chevalier to observe her intended husband at first hand.

For Jean-Marie Besset's "Villa Luco," an imaginary visit by de Gaulle to the imprisoned Pétain, the tone is not that of vociferous statesmen, but set in a lower key that makes it twice as biting. His production of Racine's "Bérénice" (last winter at the Théâtre de l'Est Parisien) was rendered with a precise clarity so that every word of its lines sang eloquently, a reminder to roaring actors to pipe down and to mumbling ones to speak up.

"Theater should benefit from cinematic experiments and aesthetics," he said. Though he has yet to direct a film, he has followed cinematic styles with fascination, and has studied masters of the cinema's earlier era: the Dane Carl Dreyer and the German F. W. Murnau.

In his directing, Lassalle subtly avoids underlining the obvious.

"Dreyer is known worldwide for his 'Jeanne d'Arc,' with its magnificent performance by Renée Falconetti. All of his films are of extraordinary quality, but a favorite of mine is his last one, 'Gertrud,' a remarkable transposition from stage to screen that rivals the frenzies of Strindberg," he went on.

"Murnau worked only in the silent era, enlivening mute films with his inventions. His was pure cinema, even after he went from Berlin to Hollywood. He triumphed over the studio system with 'Sunrise.'"

Lassalle has engaged the Egyptian cinéaste Youssef Chahine to stage Albert Camus's "Caligula" next season, and Idrissa Ouedraogo, a filmmaker from Burkina Faso, has staged Aimé Césaire's "The Tragedy of King Christophe," now in repertory.

Turning to theater directors who have influenced the modern French stage, he recited the following roll: Roger Blin, the first director of Beckett's "Waiting for Godot" ("A perfect director to reproduce a text faithfully"); Roger Planchon ("A towering talent"); Patrice Chéreau ("The most gifted wonderboy"), and Jean-Marie Serreau ("A visionary who introduced Third World theater to France").

Master of 'Terminator 2' Mayhem

By Joel Engel

NORTHRIDGE, California — Early on a Saturday morning last fall, in a section of the San Fernando Valley marked by a perfectly plotted grid of one-story monotony, a huge, riderless, heavy-duty tow truck was being readied to drive over a ramp at 60 miles an hour, crash through a wall and drop 30 feet into a concrete flood control channel.

Hollywood had arrived, for 12 hours, to shoot a fragment of a scene for "Terminator 2: Judgment Day," a movie that apotheosizes the slam-bam, ultraviolent action thriller. The star, Arnold Schwarzenegger, whose role as a murderous cyborg in the corpse-strewn original "Terminator" in 1984 established him as a major box-office draw, is re-teamed with the director-screenwriter James Cameron, whose subsequent films, "Aliens" and "The Abyss," fortified his reputation as a black belt in the mayhem genre.

Although Schwarzenegger's name will be featured prominently above the title, the true stars of "Terminator 2" are the stunt coordinator Gary Davis, 39, and his small army of stuntmen, whose credits are generally located nearer to the makeup artist's.

Credit placement notwithstanding, stuntmen (and -women) are today's headliners at the box office. The films for which ticket buyers consistently queue up are those in which stuntmen take it on the chin often and hard. Of the top-10 all-time moneymaking films (as reported by Entertainment Data), eight rely on stunt-making magic.

These statistics may explain why Carolco Pictures — hoping to recoup "Terminator 2" production costs that many in the trade say reached at least $100 million (a figure denied by the filmmakers) — invested $1 million on stunts, apparently the largest stunt budget ever.

Virtually every scene has a dangerous motorcycle ride, helicopter chase, fight or jump. In all, 800 stuntman days were scheduled, an astonishingly high number for a film lacking epic battlefield sequences. Steven Spielberg's "Indiana Jones and the Temple of Doom," which was ostensibly two hours of continuous stunts, had approximately 350 stuntman days.

"Terminator 2" deals with the effort of one cyborg, played by Schwarzenegger, to save a 13-year-old boy from death at the hands of a more advanced cyborg sent from the future.

Davis choreographed in detail the movements of his stunt crew, who either doubled for the principals or took the part of drivers, bystanders, police and other roles involved in the harsh physical action.

Muscular, tall and blond, Davis is counted among the stunt elite, having fallen, jumped, fought, driven, crashed and been ignited and chased in an impressively long list of 30-plus films in 17 years.

For years, Davis had made his living on motorcycles. Jumping over 21 cars in 1972 — while still an Arizona State University student — he broke the world record held by the daredevil Evel Knievel, for whom he later doubled on television and in films.

When Davis's Plymouth hit the 10-foot-high ramp at 70 miles an hour (about 110 kilometers) and flew 163 feet (about 50 meters) — 13 farther than planned — he suffered concussion fractures of two vertebrae. The special hydraulic shock absorbers in his seat failed on landing, and his spine absorbed the devastating impact. Yet as soon as possible, he was back at work.

"I'm sure it's true that something sets stuntmen apart," Davis said. "We seek out things to do that scare us." He traces his own infatuation with motorcycles, which led him to Hollywood, to being undersized until the middle of high school.

In the last decade, at least 10 Hollywood stuntmen have died, some on complicated maneuvers, others on ordinary ones. Stunt making always has been, and remains, the most unpredictably dangerous of all cinematic specialties, and because the world of stuntmen is small, every fatality is, in a sense, that of a family member.

Joel Engel, the author of "Rod Serling: The Dreams and Nightmares of Life in the Twilight Zone," wrote this for The New York Times.

Marc Enguerand

Jacques Lassalle: A return to the Comédie Française.

James Brown: No Exit

Reuters

PARIS — James Brown canceled two concerts in Paris this week after U. S. justice officials barred him from leaving South Carolina.

Brown was released several weeks ago on parole after serving more than two years for assault and weapons charges.

The 58-year-old musician was to have appeared on Monday and Tuesday in the Paris suburb of Issy-les-Moulineaux. "We already had 10,000 reservations," said the concert organizer, Jean-François Deiber.

Deiber said Brown would appeal to justice officials who blocked his exit because he was on parole and attempt to give a concert on Friday.

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ACROSS

1 City or town
5 Tumbledown dwelling
10 Palazzo Alfieri site
14 Male pismire
15 "Nursery of arts": Shak.
16 Shool
17 Siamese
18 Eared seal
19 Gabrielle Chanel
20 Actor credited with "Tennis, anyone?"
23 Metal container
24 Master Melvin
25 Orbital position
27 Mary Jane feature
29 TV grouch who lives in a garbage can
33 Old French coin
34 Expert on nos.
36 Conflict
37 Boris Godunov, for one
38 Inventor of lawn tennis
43 "Be thou like to ——"
44 Sun. follower
45 Crankcase fluid
46 Panay native
47 Irish playwright: 1871-1909
49 Lesley who faces the nation
53 Kid who rode Diablo
55 Inquire
57 Scare word
58 Park for World's Fair or Tennis Open
63 Ananias
64 Gay B-29
65 Wax, old style
66 Kin of comedones
67 Essayist Reppilier
68 Of an epoch
69 Contract
70 Caries hosts
71 Scrumdidilyumptious storyteller

DOWN

1 Mush or gush
2 Intact
3 Meerschaum owner's device
4 Tennis hold
5 Tennis category
6 "Oh! How I —— Get Up . . ."
7 "Queen for ——"
8 Bridle
9 Moon Mullins's brother
10 Org. for Cahn, Kahn et al.
11 "Taxi Driver" director
12 Expedient
13 Prince Hirobumi ——
21 Memorable billiard champ
22 Needlefish
26 Irrational
28 Part of a drame
30 Wield a racket
31 Fire
32 Ship bound for Colchis
35 Salvation group
37 Pinball taboo
38 Brit. servicewoman
39 Ingenuity
40 Daily Planet reporter
41 —— ton soup
42 U.S. actress: 1865-1932
47 "—— your old man!"
48 Aerie fledgling
50 Democritus's birthplace
51 Fanfare
52 "Patterns" poet
54 Remedied
56 Tennis stroke
59 Fervor
60 Little Sheba's creator
61 Word after bar
62 Served a tennis winner
63 "And many a lightfoot ——": Housman

Solution to Previous Puzzle

M	A	P			A	C	T	U	P		R	A	F	T
I	L	I	A		V	A	N	N	A		E	L	I	A
C	A	N	D	L	E	S	T	I	C	K	P	A	R	K
A	S	T	A	I	R	E	S		I	N	U	R	E	
			M	O	S	S		A	F	I	T			
O	C	T	A	N	E		W	R	I	T	E	I	N	
R	H	O	N	E		M	O	R	E			N	O	U
S	E	A	T	T	L	E	M	A	R	I	N	E	R	S
O	S	S			O	L	E	Y		M	E	R	G	E
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			A	G	E	E		S	C	U	T			
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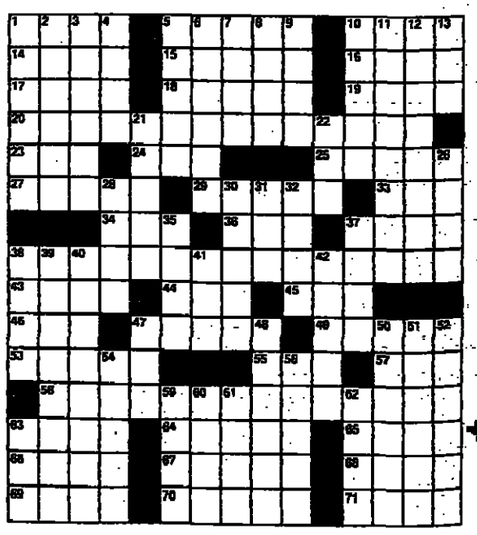


© New York Times, edited by Eugene Maleska.

w Man
olière

elaxed Comédie

of a refined subtlety. He avoids underlining the obvious, knowing that the heavy emphasis turns to caricature.

In his reflections on Marivaux, he has written that to say the most one must reveal the least. He applies this in his current staging of "La Fausse Suivante" ("The False Companion"), a sparkling comedy in which a young heiress disguises herself as a chevalier to observe her intended husband at first hand.

For Jean-Marie Besset's "Villa Luco," an imaginary visit by de Gaulle to the imprisoned Pétain, the tone is not that of vociferous statesmen, but set in a lower key that makes it twice as biting. His production of Racine's "Bérénice" (last winter at the Théâtre de l'Est Parisien) was rendered with a precise clarity so that every word of its lines sang eloquently, a reminder to roaring actors to pipe down and to mumbling ones to speak up.

"Theater should benefit from cinematic experiments and aesthetics," he said. Though he has yet to direct a film, he has followed cine-

In his directing, Lassalle subtly avoids underlining the obvious.

matic styles with fascination, and has studied masters of the cinema's earlier era: the Dane Carl Dreyer and the German F. W. Murnau.

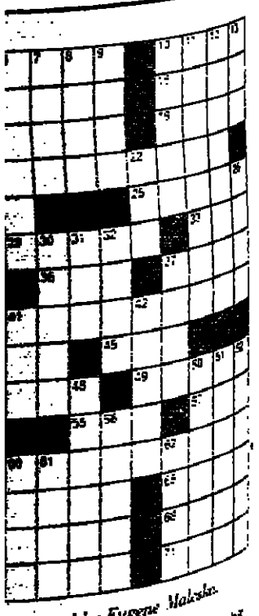
"Dreyer is known worldwide for his 'Jeanne d'Arc,' with its magnificent performance by Renée Falconetti. All of his films are of extraordinary quality, but a favorite of mine is his last one, 'Gertrud,' a remarkable transposition from stage to screen that rivals the frenzies of Strindberg," he went on.

"Murnau worked only in the silent era, enlivening mute films with his inventions. His was pure cinema, even after he went from Berlin to Hollywood. He triumphed over the studio system with 'Sunrise.'"

Lassalle has engaged the Egyptian cinéaste Youssef Chahine to stage Albert Camus's "Caligula" next season, and Idrissa Ouedraogo, a filmmaker from Burkina Faso, has staged Aimé Césaire's "The Tragedy of King Christophe," now in repertory.

Turning to theater directors who have influenced the modern French stage, he recited the following: Roger Blin, the first director of Beckett's "Waiting for Godot" ("a perfect director to reproduce a text faithfully"); Roger Planchon ("a towering talent"); Patrice Chéreau ("The most gifted wonderworker"); and Jean-Marie Serreau ("A visionary who introduced Third World theater to France").

to the Comédie Française



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62 Served a term
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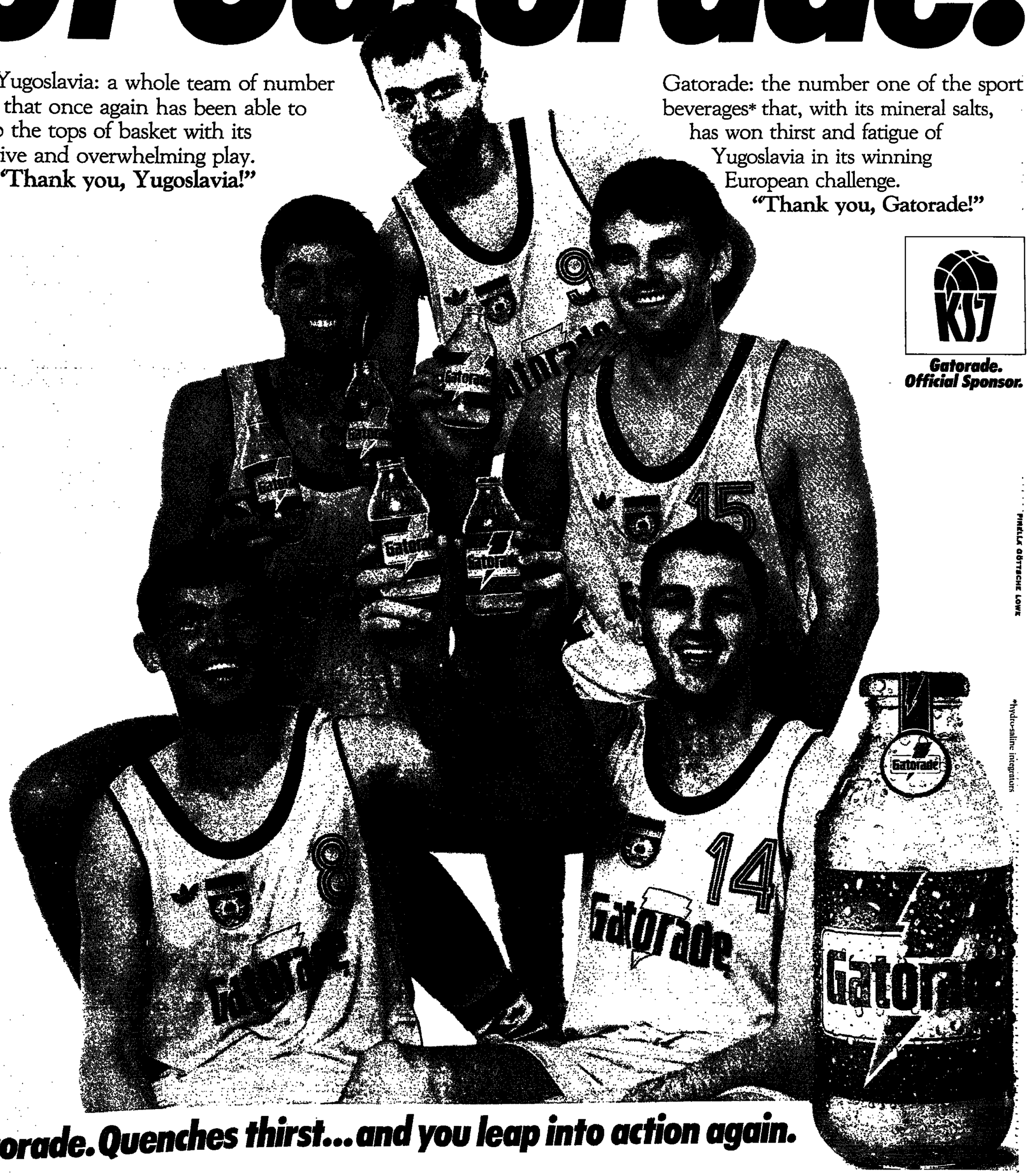

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NYSE

Tuesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Ch'ge
		A								
24¼	9¾	AAR	.48	3.1	16	463	15¾	14¾	15¼	+⅜
11⅝	8¾	ACMIn	1.26	11.3	–	1265	11⅛	10⅞	11⅛	+⅛
9¾	7⅝	ACM Op	1.01e	11.1	–	494	9⅛	9	9⅛	+⅛
11	9⅝	ACM Sc	1.26	12.1	–	10x7	10⅜	10¼	10⅜	+⅛
9⅛	7¾	ACMSp	1.01	11.1	–	329	9⅛	9	9⅛	
8⅝	6½	ACM M n	1.01	12.4	–	148	8⅛	8⅛	8⅛	–⅛
12⅞	10¼	ACMMM	1.50	12.2	–	532	12⅝	12⅜	12⅜	+⅛
18⅜	11¼	AL Lab	.16	1.0	18	165	16⅜	15⅞	16⅛	+½
2⅞	1	AM Intl	–	–	–	88	1½	1⅜	1⅜	–⅛
12¼	4⅝	AM In pf	2.00	21.1	–	84	9½	8⅝	9½	+⅜
11	8⅝	AMEVSc	1.08	9.8	–	143	11	10⅞	11	
68⅞	39¾	AMR	–	–	–	2491	63⅛	61⅝	61⅝	–⅞
25½	22¼	ANR pf	2.12	8.8	–	24	24	24	24	–½
44¼	29¾	ARCOCh	2.50	6.4	14	368	39⅞	39¼	39⅛	–¾
3⅜	1¼	ARX	–	–	–	40	1⅝	1½	1⅝	+⅛
56¼	38¾	ASA	3.00	5.8	–	762	52⅛	51⅜	51⅞	–½
5⅝	1⅜	ATTC wt	–	–	–	182u	6	6	6	+⅛
54	34½	AbtLab	1.00	1.9	23	6462	53⅞	51⅞	53⅛	+⅞
14½	9⅞	Abitibi g	.50	3.7	–	4	13⅝	13⅜	13⅝	
8⅜	3⅜	AcmeE	–	–	–	24	4⅛	4	4⅛	+⅛
8⅝	4½	AcmeC	.40	6.5	15	139	6⅛	5⅞	6⅛	
40	22	Acuson s	–	–	21	3748	30	29⅜	29⅞	
18½	14¼	AdaEx	1.72e	9.7	–	81	17⅝	17¼	17⅝	
14½	6⅝	Adobe	–	–	–	191	7¼	7	7	–½
21¼	18	Adob pf	2.40	12.7	–	28	18⅞	18¾	18⅞	+⅛
19⅝	14¼	Adob pf	1.84	12.0	–	136	15½	15¼	15⅜	+⅛
14⅛	3⅜	AMD	–	–	–	5433	12⅛	11¾	11¾	–½
38¾	13	AMD pf	3.00	8.6	–	302	34⅞	34½	34⅝	–⅛
5⅝	1⅝	Advest	–	–	–	35	4⅝	4⅝	4⅝	
53⅞	29	AetnLf	2.76	6.6	8	1747	42⅝	42	42	–¼
10⅞	6¼	AflIPb	.24	2.6	37	1106	9⅜	9	9⅛	+½
27¼	10¾	Ahmans	.88	5.0	11	1507	18¼	17¾	17¾	–⅜
10⅞	2⅜	Aileen	–	–	15	782u	11⅛	10⅝	11⅛	+⅞
74⅜	42⅝	AirPrd	1.56	2.2	16	1121	69⅞	69⅝	69⅝	–¼
27	13½	AirFrt	.30	1.2	15	354	24⅜	24½	24⅝	
20	11¼	Airgas	–	–	16	11	14⅜	14⅜	14⅜	
19⅝	10	Airlease	1.60	12.9	6	32	12⅜	12⅜	12⅜	–⅛
25½	21	AloP pf	2.01e	8.2	–	23	24½	24⅜	24½	
10¼	9	AloP dpl	.87	8.7	–	19	10	10	10	+⅛
104½	94½	AloP pf	9.44	9.3	–	z50	102	102	102	+1
95	85½	AloP pf	8.28	9.1	–	z250	91½	91	91	–1½
25⅛	13⅝	AlskAir	.20	.9	125	1269	22⅛	21⅝	21⅝	
18	8	Albnyln	.35	2.0	89	98	17⅞	17⅝	17⅝	–⅛
34¼	19¼	Alberto	.22	.9	17	162	23½	23	23¼	–⅛
24⅞	15⅛	AlbCulA	.22	1.2	14	1819	19	18⅝	19	+⅛
51⅛	28	Albtsn	.56	1.4	23	1572	41¼	40⅝	41	–⅛
24½	16⅝	Alcan	1.12	5.4	13	1514	20⅞	20½	20⅝	+⅛
37⅝	27⅛	AlcoStd	.88	2.8	14	887	32⅛	31⅞	32	–⅛
27⅝	16⅛	AlexAlx	1.00	4.5	17	762	22⅞	22⅛	22¼	–⅜
41	19⅝	Alexdr	–	–	12	–	35⅜	35½	35½	–⅜

(Continued on Page 15)

NYSE Highs-Lows

NEW HIGHS 39

AT&T Cap wt, Aileen Inc, AmCyan, Amer T&T, Autozone n, BardCR, BlackHR, CBI s, ConnEngy, Conrail, CooperTire s, Crompinc, DeltaWood, DeluxeCp, ECC Intl, EnglhrdCp, EnvrnSy pf, FrnkMult, GnMotr prP, GenuPart, HmeD s, LIL Co pfS, MultiRisk n, NIM 390pf, NSPw 416pf, NvIQI, NvNYSQI n, OppenhmCap, PutnamHiInc, QuakerOat, QuakrO wt, Showind, SpgWre, StrideRte, SuperInd s, Tektronix, UnEl 8pfH, US Sur s, Wilshire Oil

NEW LOWS 24

Altwood s, BncpHawai s, BassPubl n, Brit Pet, CarlislePls, viCarterHaw, CmwEd wtS, CnPw 416pf, viFinevest, FtCtyBcp, FruehfTrlr n, GraceEngy, GtWFn pf, McDermInt, MAWste s, NewVail, OryxEngy, PacEnterp, Rowan, RussBerr, SanDie Gas, Tenneco, UsairG pf, WCNA

AMEX Highs-Lows

NEW HIGHS 13

AmTr-att2 pr, BarrLab, CSS Ind, CondaWineA, ChmbDvB s, ChmbDvA s, Citicp wtM, EmerElCp wt, GECap wtM, MLDM pwt, StudLn wtM, ThermoInst, UnCapik

NEW LOWS 9

viAT&E, DWG Corp, EZ Serv n, Ford wty91, ImperOil A g, NarcenEng, PacWstn, PopeAm n, TotalPet

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MEDIA MARKETS

Publishers Draw a Line In Helping Advertisers

By Deirdre Carmody
New York Times Service

NEW YORK — Recently, some 7,500 randomly selected subscribers to Money magazine received a letter from the publisher, suggesting that they give serious consideration to investing in the Franklin U.S. Government Securities Fund. The fund — as the letter mentioned — is one of the magazine's advertisers.

Accompanying the letter was a Franklin advertisement with a coupon to send for a free prospectus.

"It was a mistake and we should not have done it," said William S. Myers, publisher of Money, last week. "We were trying to help an advertiser, and in this case it was something we should not have done as a personal-finance magazine. A letter of explanation is going out shortly."

The temptation to offer an advertiser a little 'added value' is strong.

These are difficult days for advertisers and publishers. Advertising pages in the 171 magazines monitored by the Publishers Information Bureau were down an average of 14 percent for the first five months of 1991, compared with a year earlier.

The temptation to woo an advertiser with a little extra "added value," as it is known in the industry, is strong.

"Let me just say that I have been under more advertiser pressure in the last year than I have experienced in the previous seven years that I have been in this business," said Knight Kiplinger, the publisher and editor in chief of Kiplinger's Personal Finance Magazine, formerly known as Changing Times.

"Every ad sales staff thinks that the editorial side are party poopers and sticks in the mud about things like this," he said. "But their job is to sell ads, and ours is to serve the reader with reliable information."

NOT ALL PUBLISHERS AGREE on what is permissible and what jeopardizes a magazine's editorial independence. Many say a magazine's integrity can be damaged considerably by just the perception that an advertiser had a hand in shaping an article.

Mr. Kiplinger, for instance, says he turns down all proposals for special issues sponsored by a single advertiser.

"If we produce an editorial product with our name on it especially for an advertiser, the public might wonder if the advertiser called the shots on the publication," he said.

But James B. Hayes, the publisher of Fortune, and Marshall Loeb, the managing editor, strongly disagree that an issue sponsored by a single advertiser sends out any wrong signals.

For example, as part of a $40 million contract signed with Chrysler Corp. last fall, Fortune came out with "The New American Century," a special issue of the magazine with Chrysler as the sole advertiser.

"I can absolutely guarantee you there was zero interference," Mr. Loeb said. "I think the word Chrysler hardly ever came up in the preparation of the issue."

Both Fortune and Money are owned by Time Warner Inc.

Pressure from advertisers comes in various ways. Rarely is it as blatant as a direct threat to pull advertising. Instead, it may come in the form of a suggestion to a magazine's advertising sales people — perhaps a mention from an automobile advertiser that the magazine seems to be mentioning pollution a good deal.

The ad salesman passes this on to the publisher's office and the publisher may happen to mention it over lunch with the editor.

A good editor, of course, will not do anything about it.

Editorial integrity is not simply the concern of the editors and writers or even of the publisher of a magazine. Advertisers care about it, too.

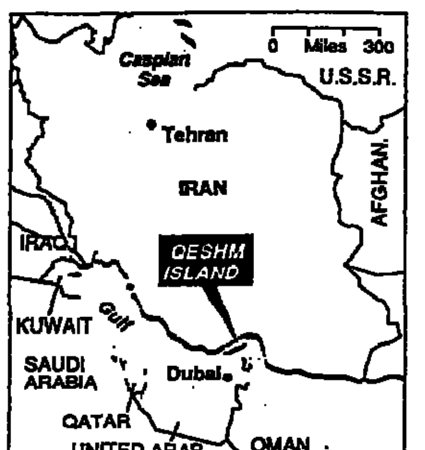
The best magazines, as far as they are concerned, are the ones with the most loyal readership.

But the temptation to push over the line is sometimes more

See MEDIA, Page 15

Island in Iran to Test the Trade Winds

By Katayon Ghazi
New York Times Service



The New York Times

QESHM, Iran — Departing from its penchant for a command economy subject to Islamic law, the Iranian government is moving to turn an island into what it hopes will be the Singapore of the Middle East.

In this season of reassessment of the gains and declines since the 1979 Islamic revolution, when Iranian officials speak of "Islamic glasnost," those who favor change and a market economy hope the island, Qeshm, will be a beacon for the rest of the country.

Although Qeshm will take years to be developed as a free-trade industrial zone, about $15 billion in government money has already been budgeted for a modern port, highways, new hotels and a bridge to the mainland.

But the island's main attraction has been there all along: Qeshm sits on top of more than 70 trillion cubic feet of proven gas reserves, driving potential industrial users' energy costs down.

Even without the gas, Qeshm is attractive for the same reason that drew the Portuguese to colonize the island in 1507: its strategic position on the trade artery from the Indian Ocean to Arabia. Qeshm, at the mouth of the Gulf, is being billed as "the best natural crossroads for trade and economic activity between Europe and Japan."

President Hashemi Rafsanjani has appointed Ali Shams Ardakani, a U.S.-educated former ambassador to Kuwait and an advocate of privatization, as administrator of the Qeshm Free Area.

"We must get rid of all we borrowed from Stalinistic economics, free ourselves of the bureaucratic tangles," Mr. Shams said in a recent interview in Tehran.

He sees the free-trade zone as Iran's contribution to economic stability in the region.

"To the north of the Persian Gulf, per capita income is $500," he said. Only 100 miles or 160 kilometers away, in Dubai, "it swells to $30,000. This is a recipe for trouble in the Gulf. We don't want trouble here."

Mr. Shams added, "The free zone is one manifestation of what Iran owes itself and the world: inducing economic activities that create security."

White, unspoiled beaches cover the Qeshm coastline. The first hotel of the new development is nearing completion, and the only other new structures are the gray stucco mosques built after the 1979 revolution for the 50,000 inhabitants, who, in contrast with the Shiite Muslim majority in the mainland population, are mostly Sunnis.

The island's ports are still crowded with the traditional wooden boats called lenjehs, and smuggling remains a common trade. But today, bigger ships are dropping anchor.

Kobe Steel Ltd. of Japan plans to build a steel mill with capacity for 500 million tons on Qeshm, in a joint venture with Iran, and European and Canadian companies are studying the establishment of petrochemical plants on the island. Iranian entrepreneurs have also reacted favorably, leasing hundreds of commercial and industrial lots in the two months since they became available.

Formal moves to develop Qeshm began in February 1990, when the parliament, the Majlis, ratified a plan to turn the island into an industrial park with a host of special incentives: no taxes, guarantees against nationalization, a relative lack of regulatory and social constraints and "unrestricted circulation and convertibility of any amount of currency and capital."

The measure was opposed by the large militant faction in the Majlis, which moved in early June to abolish free zones on the ground that they were a threat to security. But the Rafsanjani government mounted a counter-campaign and overrode the hard-liners.

"QFA will in no way threaten our defense system," Defense Minister Akbar Torkan testified before parliament.

On a drive along the southern coast of Qeshm, one can see high gravel entrenchments and concrete bunkers that local residents say were built during the Gulf war, in preparation for what local officials earnestly described as the possibility of an American invasion.

Japanese businessmen say the Qeshm Free Area has given assurances that applications of Islamic law in day-to-day life will be kept "at a minimum" on the island, though the details are yet to be defined.

"Investment in Qeshm now looks very feasible," the executive of a Japanese trading company said, but added, "QFA is not yet coordinated enough. There must be firm authority."

"This is a 20-year project," said a West European businessman and longtime resident of Iran, cautioning against forecasts that the economic liberalization being sown on Qeshm would soon sweep the country.

But, he said, "It's proof the pragmatists are rethinking the terms of an improved geopolitical status, which was not produced after the cease-fire with Iraq and could now materialize through planning, international cooperation and foresight."

The limits of the new commitment are sure to be tested. Though the limit on foreign ownership in Iran is 49 percent, it is to be waived in the Qeshm Free Area. The Kobe Steel project, the only one negotiated so far, gives Iran a 60 percent share.

"The gates have reopened," the European businessman added. "But many here are still concerned about what they call 'foreign domination.'"

U.S. Rebound In May Orders Propels Dollar

By Lawrence Malkin
International Herald Tribune

NEW YORK — Orders booked by U.S. factories in May jumped by 2.9 percent for the second successive monthly gain, the Commerce Department reported Tuesday. This latest evidence of economic recovery sent the dollar up again but left stocks unaffected.

The rise in orders was the largest since March 1990 and was above economists' forecasts. They now are waiting for June figures to determine whether the upward trend will be sustained, although the sharp rise in new orders reported Monday by the National Association of Purchasing Management indicates they will be.

The big question now is whether the spring expansion will last, and most still see an anemic recovery.

The dollar closed higher in New York, ending at 1.8344 Deutsche marks, compared with 1.8307 at the close on Monday. Earlier in the day, the currency had touched 1.8395 DM, its highest level since November 1989.

The mark was also weakened by international factors, notably the civil strife in Yugoslavia but also a warning by the outgoing Bundesbank president, Karl Otto Pöhl, that Germany must maintain a tight credit policy against inflation.

Another boost to the dollar — which put a lid on bond prices — was a report of rising consumer optimism in June. Bond traders said the University of Michigan consumer survey, which is not publicly released, showed consumer sentiment shooting up to 82.1 percent from 78.3 percent in May.

Dollar traders took the factory orders as reinforcement of statistics during the past week.

"It's a bullish number in a bullish market that was already rallying, and just helped push it a little further," said Richard Vullo of the Bank of Montreal.

The May increase was the largest since an increase of 4.4 percent in March 1990.

Orders for transportation equipment, which reflect the volatile shipments of the auto and jet-aircraft industries, rose 11.4 percent after falling 3.1 percent in April. Without transport equipment, orders in May would have have risen 1.8 percent. Durable goods, a category heavily weighted toward consumer purchases, rose 3.8 percent.

Manufacturers' inventories of all types continued their decline, by 0.8 percent in May, and the backlog of unfilled manufacturing orders was unchanged in May after falling 0.7 percent in April, indicating that the recovery has a long way to go before stalling on an inventory buildup.

Allen Sinai of The Boston Company Economic Advisers, who has been among the less optimistic major U.S. forecasters, said he saw no signs of a stall so far and forecast growth at an annual rate of about 2 percent for the spring quarter, just ended.

"The data show an impressive snapback in the economy, led by consumer spending, residential construction, increased orders and increased production for sale and inventories," he said.

But he pointed out that in five of eight previous recessions, gross national product rose during one quarter and then petered out into a decline. He said the chance of a "double-dip" recession now was only 5 to 1, somewhat less than a few weeks ago.

Whether the economy will sink back into decline depends in large part on jobs and incomes rising to fuel spending, and the next pointer to that will come on Friday with the publication of employment figures for June.

The dollar also closed higher against the yen in New York, rising to 138.77 from 138.45 yen on Mon-

See ORDERS, Page 14

4 Arrested in Tokyo on Fraud Charges

Compiled by Our Staff From Dispatches

TOKYO — Prosecutors in Tokyo arrested Tuesday four men suspected of defrauding two trading companies of 3.65 billion yen ($26.4 million) in the latest scandal to rock Japan's business community.

A prosecutor's office spokesman said a former employee of Marubeni Corp., the trading house, and three officials of Kyowa Co., a steel-frame maker, were alleged to have faked Marubeni orders for Kyowa products between June and November 1990.

The orders were handled by two trading concerns, Iida Sangyo KK and Okafuji Shoji KK, which paid for the goods on the understanding that Marubeni would reimburse them, the spokesman said.

Marubeni later refused to pay the companies, saying it was not aware of the orders, and Iida Sangyo subsequently filed for bankruptcy in December. In May, Iida Sangyo filed suit against Marubeni to try to collect the money it had paid Kyowa.

Kyowa filed application at Tokyo District Court in November to work out a 150 billion yen debt-settlement plan with creditors.

News of the allegations, involving faked trading-company orders, broke after nearly a week of market scandals in Japan.

Kazuyoshi Kubota, the former assistant manager for steel-project sales at Marubeni; Goro Moriguchi, a former vice president at Kyowa, and two other former Kyowa officials were arrested on Tuesday.

The prosecution spokesman would not say whether charges were pending in connection with dealings involving another major trading house, Nissho Iwai Corp. Last month, Nissho Iwai filed suit against Marubeni to collect 2.4 billion yen it had paid to Kyowa in a similar deal, a Nissho Iwai spokesman said.

Prosecutors said Mr. Kubota, who was fired in December for "seriously violating a company rule," allegedly arranged the deal to help Kyowa pay off debts arising from the company's real estate investments. They said that up to 30 billion yen in fraudulent deals might be involved.

"It is regrettable that trust in our company has been damaged, but the company itself hasn't been involved," said a Marubeni spokesman, Yutaka Abe.

The company promised to cooperate fully with prosecutors even though it was not directly involved.

News of the arrests broke after nearly a week of market scandals. On Thursday, the presidents of two leading brokerages resigned after it was revealed that their clients had been improperly compensated for investment losses and that there had been links to organized crime.

(Reuters, AFP)

Pöhl Warns of Spiral In Inflation and Pay

Agence France-Presse

BONN — Karl Otto Pöhl, the president of the Bundesbank, warned Tuesday that inflation in Germany early next year would be more than 4 percent and would encourage pay increases that are already "highly alarming."

He also told the federal government and the states that they would run a deficit of 150 billion to 170 billion Deutsche marks ($83 billion to $94 billion) this year, which he said could only drive interest rates higher. An influential trade group predicted Tuesday that Germany's surplus would drop by half in 1991. (Page 15)

Mr. Pöhl said the government had "failed to draw the conclusions of the impact of unification on financial policy."

He made his comments as he received the Ludwig Erhard Prize, one of Germany's most prestigious economic awards, which set the seal on his 11-year tenure as head of the central bank. He is handing over the job to his deputy, Helmut Schlesinger, at the end of the month.

He said that retail-price inflation, currently at a 3.5 percent annual rate, would rise to more than 4 percent by the spring of 1992. The figure must not become a minimum for pay negotiations between unions and management or inflation will be stoked further, he said.

In the past, Mr. Pöhl said, unions had become used to very low inflation and had not negotiated on the expectation of higher price levels. He noted that pay increases in Western Germany had reached 7 percent this year, "the highest for several years and with far-reaching consequences for Eastern Germany." In the eastern part of the country, pay was already 60 percent that of western levels, even though productivity there lagged far behind, he said.

"What we have seen, in this respect, is highly alarming from the Bundesbank's point of view," he warned.

CURRENCY RATES

Cross Rates

July 2

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	2.083	3.313	1.1262	0.3325	0.1515 *	—	5.425 *	1.3083	1.466 *	1.803	1.80 *
Brussels	37.81	60.5275	20.57	6.085	2.769 *	18.264	—	23.96	0.2700 *	32.80	32.885 *
Frankfurt	1.8287	2.942	—	0.2953	0.1347 *	0.888	4.861 *	1.166	1.319 *	1.5905	1.60 *
London (a)	1.6025	—	2.9370	9.9562	2,176.50	3.3091	60.375	2.5288	222.31	1.8323	183.74
Madrid	114.43	184.861	62.564	18.476	8.42 *	55.557	3.0415	72.989	82.561 *	100.889	—
Milan	1,257.50	2,186.25	742.97	219.38	—	659.78	36.117	865.76	9.089	1,187.60	11.077
New York (b)	—	1.683 a	1.8344	6.2325	1,362.50	2.0658	37.725	1.5825	138.77	1.1424	114.78
Paris	6.1895	9.944	3.3844	—	0.4558 *	2.9871	0.1646	3.9667	4.4695 *	5.413	5.4135 *
Tokyo	138.40	222.96	75.73	22.37	0.102	67.25	368.38	88.28	—	121.19	1.2106
Toronto	1.1426	1.8292	0.6221	0.1637	0.838 *	0.5527	3.024 *	0.7224	0.8226 *	—	0.995 *
Zurich	1.578	2.5295	0.8605	0.2543	0.1157 *	0.7638	4.1873 *	—	1.1382 *	1.3781	1.3751 *
1 ECU	1.1230	0.6987	2.0555	6.9604	1,537.27	2.3147	42.381	1.7638	155.762	1.2859	128.597
1 SDR	1.3884	0.8136	2.383	8.0996	1,777.86	2.6953	49.2295	2.0532	181.11		149.743

Closings in Amsterdam, London and Zurich, fixings in other centers; New York closing rates and Toronto rates at 3 P.M.
*a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	9970.0	Greek drac.	199.65	Mex. peso	3020.00	S. Afr. rand	2.9055
Austral. $	1.3072	Hong Kong $	7.764	N. Zealand $	1.7391	Soviet ruble*	0.6044
Austr. schil.	12.86	Indian rupee	21.231	Norw. krone	7.128	Swed. krona	6.602
Brazil cruz.	313.95	Indo. rupiah	1949.00	Phil. peso	27.31	Taiwan $	26.50
Chinese yuan*	5.3556	Irish £	0.684	Port. escudo	159.85	Thai baht	25.70
Danish krone	7.0615	Israeli shek.	2.3425	Saudi riyal	3.7506	Turkish lira	4287.00
Egypt. pound	3.2977	Kuwaiti dinar	3.4037	Sing. $	1.7675	UAE dirham	3.6723
Fin. markka	4.334	Malay. ring.	2.7895	S. Kor. won	727.50	Venez. boliv.	55.59

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6012	1.5947	1.5885	Canadian dollar	1.1463	1.1484	1.1507
Deutsche mark	1.8326	1.8374	1.8422	Japanese yen	138.77	138.94	139.11
Swiss franc	1.5706	1.5730	1.5751				

Sources: NMB Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

INTEREST RATES

Eurocurrency Deposits

July 2

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	5 15/16-6 1/16	8 7/8-9	7 13/16-7 15/16	11 1/16-11 3/16	9 5/16-9 7/16	7 1/16-7 3/16	9 13/16-9 15/16	7 3/4
2 months	6-6 1/8	8 15/16-9 1/16	7 13/16-7 15/16	11 1/16-11 3/16	9 5/16-9 7/16	7 1/16-7 3/16	9 7/8-10	7 3/4
3 months	6 1/16-6 3/16	9 1/16-9 3/16	7 13/16-7 15/16	11-11 1/8	9 5/16-9 7/16	7 1/16-7 3/16	9 15/16-10 1/16	7 1/2
6 months	6 3/8-6 1/2	9 1/4-9 3/8	7 13/16-7 15/16	10 15/16-11 1/16	9 5/16-9 7/16	7 1/16-7 3/16	10-10 1/8	7 7/8
1 year	6 9/16-6 11/16	9 1/4-9 3/8	7 13/16-7 15/16	10 7/8-11	9 5/16-9 7/16	7 1/16-7 3/16	9 15/16-10 1/16	7 7/8

Sources: All Reuters except ECU: Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

July 2

	Close	Prev.
United States		
Discount rate	5½	5½
Prime rate	8½	8½
Federal funds	6.00	7½
Com paper 90-179 days	6.00	6.08
3-month Treasury bills	5.57	5.56
6-month Treasury bills	5.72	5.70
1-year Treasury bills	6.02	5.97
30-year Treasury bond	8.44	8.44
2-month CD's	5.70	5.70
3-month CD's	5.80	5.80
Japan		
Discount rate	5½	5½
Call money	7 15/32	7 17/32
2-month interbank	7½	N.Q.
3-month interbank	7⅝	7¾
Germany		
Discount rate	6½	6½
Lombard rate	9.00	9.00
Call money	8.95	8.95
1-month interbank	8.95	8.95
3-month interbank	9.15	9.05
6-month interbank	9¼	9.15
Britain		
Bank base rate	11½	11½
Call money	11¾	11⅝
3-month interbank	11¾	11⅝
6-month interbank	10 15/16	10 15/16
France		
Intervention rate	9.00	9.00
Call money	9 13/16	9 11/16
1-month interbank	9⅝	9 9/16
3-month interbank	9⅝	9 9/16
6-month interbank	9⅝	9 9/16

Sources: Reuters, Salomon Brothers, Bank of Tokyo, Commerzbank, Crédit Lyonnais.

Asian Dollar Deposits

July 2

1 month	6 - 6⅛
2 months	6 - 6⅛
3 months	6⅛ - 6¼
6 months	6⅜ - 6½
1 year	6⅞ - 7

Source: Reuters.

U.S. Money Market Funds

July 2

Merrill Lynch Ready Assets
30-day average yield: 5.45
Telerate Interest Rate Index: 6.815
Source: Merrill Lynch, Telerate.

GOLD

July 2

	A.M.	P.M.	Ch'ge
Hong Kong	368.25	367.15	—2.00
Luxembourg	367.25	—	—1.90
Paris (12.5 kilo)	364.95	364.32	—2.67
Zurich	367.00	367.35	—1.70
London	366.65	367.10	—1.80
New York	—	367.85	—0.30

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.
Source: Reuters.

CD Publishers Fear Microsoft's Muscle

By Eben Shapiro
New York Times Service

NEW YORK — Microsoft Corp., whose software for personal computers dominates the market, has aggressively entered the business of putting books and encyclopedias on compact disks, worrying competitors in the fledgling industry.

Some rivals fear that the company will use its dual role — as a developer of the technical tools used in producing electronic books and as a publisher of electronic materials — to dominate the industry. Others worry that Microsoft, with more than $1 billion in sales last year, will simply out-muscle them.

Microsoft has recently bought a sizable interest in a British publisher, Dorling Kindersley Ltd., known for its popular "The Way Things Work" series, and it has 60 artists and researchers working to bring out reference works and other titles on 5 inch (12.7 centimeter) disks.

Electronic publishers worry that if Microsoft's standards for producing multimedia works become broadly accepted, the company will have an advantage in developing titles for compact disks.

Similar concerns are at the heart of a Federal Trade Commission investigation into whether Microsoft has unfairly monopolized segments of the computer-software business. Microsoft has denied wrongdoing.

"People in my industry are very nervous," said Peter Black, the president of Xiphias, a Los Angeles company that makes compact disks. Mr. Black recently sent a letter warning book-publishing executives to be on guard.

"With the right properties exclusively held," he wrote, "Microsoft can make life miserable for anyone interested in electronic publishing."

William H. Gates 3d, the founder and chairman of Microsoft, would not comment on Mr. Black's letter, but he scoffs at the notion that he is trying to dominate electronic publishing. "That is the most random thing I have ever heard," he said. "I'm not Robert Maxwell."

But Mr. Gates also said electronic publishing could be a $1 billion business for Microsoft by the end of the decade.

Microsoft is not the only big entrant in this developing market, which experts roughly estimate at $500 million. Sony Corp. recently formed its own electronic-publishing house and introduced equipment to play the new disks, and Time Warner Inc. rushed out a compact disk on the Gulf war, with sound, photographs and text.

Major newspapers, including The New York Times, plan to make issues available on compact disk to reference libraries.

The disks, which are an offshoot of the audio compact disk, can be played on CD-ROM players connected to personal computers. With recent improvements, the systems can produce cartoons, photograph-like images and even slow-motion video on computer screens, bringing "multimedia computing" to life.

For example, the National Geographic Society is offering a disk encyclopedia of mammals that includes slow-motion film clips used on its television specials.

Microsoft, which makes the software that controls the basic functioning of IBM-compatible personal computers, already produces important software needed to run CD-ROMs. The company, which has been publishing disks since 1987, is also trying to establish industry standards for multimedia computing.

In March, Microsoft acquired 26 percent of Dorling Kindersley. The terms of the deal were not disclosed. Microsoft plans to join the British company in publishing reference works and other materials on compact disks.

Microsoft's interest in the field has heated up the market for the electronic publishing rights to medical books, reference works and how-to guides. Now, the electronic rights to a well-known encyclopedia may cost up to $250,000.

"I have been talking to people that want to raise money to buy electronic rights to things before he gets them all," said one investment banker, who asked not to be named, referring to Mr. Gates.

One disk already published by World Library Inc. in Garden Grove, California, has the complete texts of 450 works, including Aristotle's "Poetics," "The Iliad" and "The Odyssey," "Moby Dick," "War and Peace," "The Communist Manifesto," the Bible, the Koran and the Book of Mormon.

Microsoft's investment in Dorling Kindersley in March has stirred up a fight with Random House Inc. At issue are the popular medical guides and encyclopedias that Dorling Kindersley developed with the American Medical Association.

New Best-sellers: Informative CDs

Leading disks, based on number sold in the United States in first quarter of 1991, and the price of each

Title	Price
Grolier Electronic Encyclopedia — The entire text of the 21-volume Academic American Encyclopedia, more than 9 million words and 1,500 pictures.	$345
Microsoft Bookshelf — A collection of 10 reference works, including the American Heritage Dictionary, Roget's II Electronic Thesaurus, Bartlett's Familiar Quotations and a directory of ZIP codes.	199
Microsoft's Programmer's Library — Information for programmers.	345
U.S. History on CD-ROM — The full text of 107 books on U.S. history, with more than 1,000 photos, maps and tables.	395
McGraw-Hill Science and Technical Referen. Set — Science encyclopedia and dictionary of technical terms.	264
Compton's Multimedia Encyclopedia — Encyclopedia with 15,000 illustrations, with audio renditions of speeches by Martin Luther King Jr. and John F. Kennedy.	895
PC-SIG Library — A library of public domain software, including programs for word processing, spreadsheets and games.	295
Mammals: A Multimedia Encylopedia — National Geographic disk contains 45 video clips from TV documentaries and sounds of different animals.	149

Source: Bureau of Electronic Publishing
The New York Times

AT&T ANNOUNCES PLANS TO ADJUST ADDITIONAL MINUTE CHARGES ON AT&T USADIRECT® SERVICE CALLS FROM CHINA

On June 24, 1991 AT&T filed a proposal with the Federal Communications Commission to increase the additional minute price on AT&T USADirect® Service calls originating from the People's Republic of China from $1.48 to $1.99. If approved, the reprice would be effective July 2, 1991. The changes are designed to align the charges more closely with the cost of providing the service. The initial one minute charge, along with service charges for AT&T Calling Card, Collect Station, and all Person-to-Person calls would remain the same. The new pricing is outlined below:

	Initial One Minute	Each Additional Minute
All Days/All Hours	$4.29	$1.99
Service Charges		
AT&T Calling Card	$2.50	
Station Collect	$5.75	
Person-to-Person Calls	$5.00	

If you have any questions concerning the adjusted rates on USADirect calls originating from the People's Republic of China, please call toll-free, 1 800 874-4000, ask for ext. 330, or if out of the U.S., call collect via USADirect Service 412 553-7458, ask for ext. 930.

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Herald Tribune.

MARKET DIARY

Disney Spurs NYSE On Lackluster Day

United Press International

NEW YORK — The Dow rose in moderate trading on the New York Stock Exchange on Tuesday, thanks mainly to a rally in stock of Walt Disney, where theme-park business was said to be picking up.

The Dow Jones industrial average, which surged 51.66 points Monday, rose 14.31 to 2,972.72.

Among the broad-based gauges,

N.Y. Stocks

the New York Stock Exchange composite index eased 0.15 to 206.52. Standard & Poor's 500-stock index slid 0.45 to 377.47 and the price of an average share fell 2 cents.

Advances barely edged out declines. Volume amounted to 157.1 million shares, compared with 167.5 million on Monday.

Disney closed up 5⅛ to 118¾ after an analyst commented that the company had posted a 20 percent increase in advance bookings at its theme parks.

The analyst, Alan Gould of Dean Witter Reynolds, repeated his buy recommendation on Disney, citing the improved attendance at theme parks.

"It was kind of a funny market," said Sidney Dorr, vice president of institutional trading at Charles Schwab & Co. in San Francisco. "If you take out Disney and Alcoa, there was not much going on."

Alcoa jumped 1⅞ to 68⅝.

Pepsico was the most active issue, up ½ to 29⅝. AT&T followed, up ½ to 39⅛. RJR Nabisco was third, unchanged at 10¾.

Among other blue chips, IBM added ⅝ to 98⅞, General Motors gained ¼ to 42½ and Philip Morris rose ⅜ to 65½ but Exxon lost 1¼ to 58⅝.

On the American Stock Exchange, stocks slipped in moderate trading.

The Amex Market Value index dropped 0.31 to 360.35, while the average price of an Amex share eased 1 cent.

Echo Bay Mines led the Amex issues, unchanged at 9⅝.

Stocks were lower in over-the-counter trading. The National Association of Securities Dealers composite index fell 2.53 to 478.78.

ORDERS: *U.S. Rebound in May*

(Continued from first finance page)

day. The British pound ended at $1.6030, down from $1.6072.

The dollar rose to 1.5825 Swiss francs from 1.5685 and to 6.2125 French francs from 6.1985.

"There is dollar strength on the economic fundamentals across the

Foreign Exchange

board," said Charles Spence, corporate foreign-exchange manager of First Interstate Bank in Los Angeles. "But there is mark weakness because of the Yugoslav situation and Mr. Pöhl's comments."

Traders said fear of central bank intervention had created a cautious market, in which the dollar was rising in an "orderly fashion," which will allow it to head even higher.

Dealers said they anticipated narrow trading ranges on Wednesday, as the market gears down for the U.S. holiday on Thursday.

In London, the dollar hit a peak of 1.8370 DM, before edging back to 1.8350 in late trading, still above the finish Monday of 1.8167 DM.

The dollar made a less spectacular gain against the yen, rising to 138.90 yen from 138.35 Monday.

In other London currency trading, the dollar finished at 6.2200 French francs, a gain from Monday's 6.1550, and at 1.5799 Swiss francs, up from 1.5625. The pound eased further to $1.6025 from $1.6145.

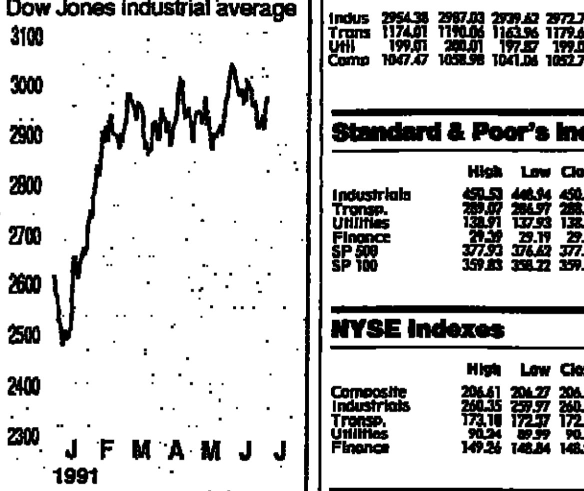
"Recent U.S. data have had a useful habit of being above market expectations, suggesting the recovery is beginning to pick up," said David Kern, chief economist at NatWest Bank. But he warned that the U.S. recovery was still likely to be rather anemic.

"The huge levels of corporate and consumer debt and a savings ratio that can't go any lower, all mean the recovery will be gradual and susceptible to lapses," he said.

Via Associated Press July 2

The Dow

Daily closings of the Dow Jones industrial average



IHT

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	2954.38	2987.03	2939.62	2972.72	+ 14.31
Trans	1174.01	1190.06	1163.96	1179.65	+ 4.76
Util	199.01	200.01	197.87	199.07	— 0.50
Comp	1047.47	1058.98	1041.06	1052.70	+ 3.77

Standard & Poor's Indexes

	High	Low	Close	Ch'ge
Industrials	450.53	446.94	450.17	— 0.20
Transp.	289.07	286.97	288.57	+ 0.40
Utilities	138.91	137.93	138.32	— 0.59
Finance	29.39	29.19	29.23	— 0.15
SP 500	377.93	376.62	377.47	— 0.45
SP 100	359.83	358.22	359.01	— 0.55

NYSE Indexes

	High	Low	Close	Ch'ge
Composite	206.61	206.27	206.52	— 0.15
Industrials	260.35	259.97	260.28	— 0.07
Transp.	173.18	172.37	172.92	+ 0.28
Utilities	90.24	89.99	90.14	— 0.25
Finance	149.26	148.84	148.99	— 0.26

NASDAQ Indexes

	High	Low	Close	Ch'ge
Composite	481.30	478.62	478.78	— 2.53
Industrials	533.50	530.78	530.99	— 3.26
Finance	473.71	471.81	472.48	— 1.24
Insurance	539.20	535.57	536.35	— 2.99
Utilities	553.68	548.73	548.82	— 2.93
Banks	327.95	323.48	324.69	— 2.72
Transp.	520.35	515.16	519.60	+ 1.59

AMEX Stock Index

High	Low	Close	Ch'ge
360.76	359.88	360.35	— 0.31

Dow Jones Bond Averages

	Close	Ch'ge
20 Bonds	94.37	— 0.12
10 Utilities	95.41	— 0.04
10 Industrials	93.33	— 0.20

Market Sales

NYSE 4 p.m. volume	157,140,000
NYSE prev. cons. close	199,563,850
Amex 4 p.m. volume	10,040,000
Amex prev. cons. close	13,412,400
NASDAQ 4 p.m. volume	136,540,200
NASDAQ prev. 4 p.m. volume	121,929,800
NYSE volume up	64,325,300
NYSE volume down	66,400,720
Amex volume up	4,122,825
Amex volume down	3,172,050
NASDAQ volume up	40,646,100
NASDAQ volume down	64,956,700

S&P 100 Index Options

July 2

Strike Price	Calls-Last Jly	Aug	Sep	Oct	Puts-Last Jly	Aug	Sep	Oct
330	30⅝	—	—	—	⅛	—	—	—
335	—	—	—	32	½	2	4¼	5⅝
340	—	21	—	—	¾	2⅝	5	6½
345	16⅞	—	—	—	1⅜	3⅝	6⅛	—
350	11⅝	15	—	—	1⅞	4⅝	7½	9⅛
355	8	11¼	—	—	3⅝	6⅝	9¼	—
360	5	8¼	11⅛	14½	5	8⅛	11	13
365	2⅜	5⅞	9	—	8	10⅞	13½	15
370	1⅛	3⅝	7⅛	—	11½	14½	—	—
375	⅝	2⅜	5	—	16	18⅛	—	20½
380	⅛	1½	3½	—	—	22	23	—
385	⅛	⅝	—	—	—	—	—	—

Calls: total vol. 49,434; total open int. 399,995
Puts: total vol. 52,893; total open int. 282,429

	Dec 92	Dec 93	Dec 92	Dec 93
30	—	—	1	—
32½	6¼	—	—	—
35	4⅝	—	2⅜	3

Calls: total vol. 4; total open int. 20,951
Puts: total vol. 195; total open int. 61,321
Source: CBOE.

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
PepsiC s	22699	29⅝	28⅞	29⅝	+ ½
AT&T	21301	39⅝	38⅞	39⅛	+ ½
RJR Nb n	20176	10¾	10½	10¾	
Tenneco	18673	39⅝	35¼	35⅝	—4⅛
MIN	15503	8	7⅞	8	+ ⅛
TelMex n	13491	26¼	26	26¼	+ ¼
PhilMr	12956	65⅝	65	65⅝	+ ½
McDorl	12291	18	16¾	18	— ¼
Pfizer s	11901	56¼	55⅞	56¼	
IBM	11822	99⅛	98⅛	99	+ ⅝
WalMt	11685	44⅛	43⅞	43⅞	+ ⅛
Exxon	11655	59⅝	58⅝	58⅝	—1¼
Waste	11301	37⅞	37⅛	37⅛	— ⅜
Fintste	10860	26½	25⅝	26⅛	+ ⅜
GnMotr	10761	42¾	42	42½	+ ⅛

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
EchoBy	6682	9⅞	9⅝	9⅝	
A-aif2 sc	3954	10⅛	9⅝	10	+ ⅛
DowC rt	3841	8⅛	7⅞	8	+ ⅛
PennTr	3769	23⅞	23½	23⅞	— ⅜
MetMB	2834	16⅛	15¾	16⅛	+ ⅛
MLDM pwt	2700	5	4⅞	5	+ ¼
Amdhl	2606	15⅛	14⅞	15	
Kirby	2099	12	11½	11⅞	+ ½
DWG	2030	2⅛	1⅞	2⅛	— ⅛
CornCr	1898	21	20	20⅞	+ ⅛
BergBr	1736	25⅛	24⅞	25	— ⅛
Epitope	1725	15¼	14½	15	
WangB	1705	3⅝	3⅝	3½	— ¼
SofSup n	1634	7	6⅝	6⅞	+ ½
ChDvA s	1437	27⅞	27⅝	27⅞	+ ⅛

NYSE Diary

	Close	Prev.
Advanced	774	1159
Declined	761	474
Unchanged	531	440
Total Issues	2066	2073
New Highs	39	42
New Lows	24	9

Amex Diary

	Close	Prev.
Advanced	222	322
Declined	266	201
Unchanged	279	234
Total Issues	767	757
New Highs	13	15
New Lows	9	5

NASDAQ Diary

	Close	Prev.
Advanced	928	1,031
Declined	926	805
Unchanged	2,262	2,281
Total Issues	4,116	4,117

EUROPEAN FUTURES

Food

	Close		High	Low	Prev.Close	
SUGAR (FOX) U.S. Dollars per metric ton-lots of 50 tons						
Aug	222.00	225.60	224.00	222.00	220.00	222.00
Oct	189.00	189.20	191.80	189.00	190.00	190.20
Dec	177.00	180.20	177.00	172.00	N.T.	N.T.
Mar	182.80	183.20	184.00	181.00	181.00	182.40
May	183.00	185.20	187.00	185.00	181.60	185.40
Aug	188.40	189.00	N.T.	N.T.	183.00	190.00
Oct	190.40	191.00	191.40	189.80	184.00	192.00
Est. Sales 443.						
COCOA (FOX) Sterling per metric ton-lots of 10 tons						
Jul	585	586	585	574	575	577
Sep	616	617	620	611	617	618
Dec	656	657	661	652	660	661
Mar	696	697	700	692	697	698
May	718	719	723	717	719	720
Jul	738	739	744	739	737	738
Sep	757	758	764	757	759	760
Est. Sales 4,040.						
COFFEE (FOX) Sterling per metric ton-lots of 5 tons						
Jul	541	544	551	540	551	552
Sep	568	569	577	566	575	577
Nov	592	594	597	591	593	595
Jan	613	614	620	613	614	616
Mar	633	635	635	630	629	635
Est. Sales 3,333.						

	High	Low	Close		Ch'ge
WHITE SUGAR (Matif) Dollars per metric ton-lots of 50 tons					
Aug	310.00	310.00	300.00	308.50	— 3.70
Oct	268.50	266.00	265.20	265.50	— 1.60
Dec	N.T.	N.T.	256.00	259.00	Unch.
Mar	260.00	259.50	259.00	260.50	— 1.00
May	N.T.	N.T.	259.00	261.00	— 0.80
Aug	N.T.	N.T.	262.00	265.00	— 2.00

Est. sales 1,021. Prev. sales 913.
Open interest 11,629.

Metals

	Close Bid	Ask	Previous Bid	Ask
ALUMINUM (High Grade) Dollars per metric ton				
Spot	1323.00	1325.00	1323.00	1324.00
Forward	1355.00	1357.00	1355.00	1356.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	1412.00	1413.00	1402.00	1403.00
Forward	1426.00	1427.00	1414.00	1415.00
LEAD Sterling per metric ton				
Spot	343.00	344.00	341.50	342.50
Forward	349.00	350.00	349.50	350.00
NICKEL Dollars per metric ton				
Spot	8625.00	8650.00	8560.00	8570.00
Forward	8575.00	8600.00	8520.00	8530.00
TIN Dollars per metric ton				
Spot	5650.00	5660.00	5640.00	5650.00
Forward	5740.00	5743.00	5730.00	5740.00
ZINC (Special High Grade) Dollars per metric ton				
Spot	1068.00	1078.00	1077.00	1079.00
Forward	1079.00	1080.00	1086.00	1087.00

Financial

	High	Low	Close	Change
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct				
Sep	89.56	89.52	89.53	+ 0.01
Dec	89.90	89.87	89.87	Unch.
Mar	90.00	89.98	89.98	Unch.
Jun	89.80	89.77	89.79	+ 0.02
Sep	89.51	89.49	89.50	+ 0.02
Dec	89.42	89.39	89.42	+ 0.04
Mar	89.34	89.33	89.34	+ 0.03
Jun	89.33	89.32	89.32	+ 0.01
Sep	N.T.	N.T.	89.33	+ 0.02
Dec	N.T.	N.T.	89.32	+ 0.02
Est. volume: 23,610. Open interest: 117,132.				
3-MONTH EURODOLLARS (LIFFE) $1 million - pts of 100 pct				
Sep	93.53	93.50	93.53	+ 0.02
Dec	92.94	92.91	92.94	Unch.
Mar	92.82	92.79	92.82	Unch.
Jun	92.43	92.40	92.43	Unch.
Sep	N.T.	N.T.	92.03	— 0.02
Dec	N.T.	N.T.	91.70	— 0.11
Mar	N.T.	N.T.	91.73	— 0.08
Jun	N.T.	N.T.	91.54	— 0.08
Est. volume: 1,826. Open interest: 28,424.				
3-MONTH EUROMARKS (LIFFE) DM1 million - pts of 100 pct				
Sep	90.77	90.66	90.71	— 0.07
Dec	90.87	90.80	90.81	— 0.08
Mar	91.05	90.98	91.00	— 0.07
Jun	91.24	91.18	91.20	— 0.07
Sep	91.48	91.40	91.37	— 0.05
Dec	91.50	91.45	91.47	— 0.05
Mar	91.66	91.56	91.57	— 0.11
Jun	N.T.	N.T.	91.60	— 0.09
Est. volume: 26,298. Open interest: 94,492.				

	High	Low	Close	Change
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct				
Sep	90-22	90-03	90-15	+ 0-08
Dec	90-08	90-08	90-15	+ 0-08
Est. volume: 17,427. Open interest: 36,467.				
GERMAN GOVERNMENT BUND (LIFFE) DM 250,000 - pts of 100 pct				
Sep	84.42	84.44	84.56	— 0.07
Dec	84.84	84.68	84.80	— 0.09
Mar	N.T.	N.T.	85.05	— 0.09
Est. volume: 51,885. Open interest: 75,608.				

Industrials

	High	Low	Last	Settle	Ch'ge
GASOIL (IPE) U.S. dollars per metric ton-lots of 100 tons					
Jul	175.50	173.75	174.50	174.50	+ 0.50
Aug	176.50	174.75	176.25	176.25	+ 1.25
Sep	178.00	176.25	178.00	177.75	+ 1.25
Oct	180.00	178.50	180.00	179.75	+ 1.25
Nov	181.75	180.00	181.75	181.75	+ 1.25
Dec	182.75	181.00	182.50	182.50	+ 0.75
Jan	179.75	179.25	179.50	179.50	+ 0.75
Feb	N.T.	N.T.	N.T.	174.50	+ 0.50
Mar	N.T.	N.T.	N.T.	171.00	+ 1.25
Est. Sales 11,993. Prev. sales 8,401. Open interest 73,324					
BRENT CRUDE OIL (IPE) U.S. dollars per barrel-lots of 1,000 barrels					
Aug	18.87	18.75	18.84	18.84	+ 0.03
Sep	18.99	18.88	18.99	18.98	+ 0.05
Oct	19.12	19.01	19.05	19.05	— 0.07
Nov	19.18	19.06	19.18	19.10	— 0.07
Dec	19.13	19.08	19.10	19.10	— 0.06
Jan	19.02	19.02	19.02	19.02	+ 0.02
Feb	N.T.	N.T.	N.T.	19.02	+ 0.02
Est. Sales 8,200. Prev. sales 10,300. Open interest 56,093					

Stock Indexes

FTSE 100 (LIFFE) £25 per index point				
Sep	2490.0	2465.0	2486.0	+ 12.0
Dec	2513.5	2508.5	2525.0	+ 12.0
Est. volume: 5,170. Open interest: 31,594.				

Sources: Reuters, Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

Spot Commodities

Commodity	Today	Prev.
Aluminum, lb	0.601	0.601
Coffee, lb	0.69	0.69
Copper electrolytic, lb	1.13	1.119
Iron FOB, ton	213.00	213.00
Lead, lb	0.31	0.31
Silver, troy oz	4.41	4.45
Steel (billets), ton	473.00	473.00
Steel (scrap), ton	0.99	0.99
Tin, lb	3.6619	3.6564
Zinc, lb	0.54	0.53

Dividends

Company	Per	Amt	Pay	Rec
DISTRIBUTION				
MFS Govt Mkts Inco	M	.098	7-31	7-15
MFS Interm Inco	M	.08¾	7-31	7-15
MFS Multimkt Inco	M	.10¼	7-31	7-15
MFS Muni Inco Tr	M	.06	7-31	7-15
MFS Special Value	M	.33¾	7-31	7-15
INITIAL				
Bershire Rlty Co	Q	.37½	8-15	7-22
USUAL				
Noland Co	Q	.11½	7-25	7-15
Penn Square Mutual	-	.08	7-26	7-1
Prud Intermed Inco	M	.06½	7-26	7-12
Sterling Chemicals	Q	.075	7-24	7-12
TransAtlantic Hlds	Q	.05	9-20	9-6

a-annual; m-monthly; q-quarterly; s-semi-annual

Source: UPI.

N.Y.S.E. Odd-Lot Trading

	Buy	Sales	Short*
July 1	582,071	598,636	22,189
June 28	527,881	583,209	7,159
June 27	697,480	484,860	4,005
June 26	690,362	533,105	16,327
June 25	728,108	512,559	8,662

*Included in the sales figures.

U.S./AT THE CLOSE

Declining Foreign Investment in U.S. Exceeds American Holdings Abroad

WASHINGTON (NYT) — Foreigners invested much less in the United States last year than in previous years, while the U.S. overall investment position deteriorated much less rapidly than in recent years, according to Commerce Department figures released Tuesday.

Foreign direct investment in the United States plummeted to $37.2 billion last year from $70.6 billion in 1989. Foreign companies and individuals bought fewer shares in American companies, reinvested less of their profits in the United States and lent less money to their American subsidiaries, the Commerce Department said.

The report comes at a time of considerable concern in Congress and elsewhere about whether foreigners have acquired excessively large stakes in the industrial and technological base of the United States. American holdings overseas total $1.88 trillion, while foreign holdings in the United States are at $2.24 trillion.

Japan 'Dumping' Word Processors

WASHINGTON (AP) — Japanese companies are selling personal word processors on the U.S. market at less than fair value, a practice known as dumping, the Commerce Department ruled Tuesday.

If the U.S. International Trade Commission determines that the U.S. industry is being threatened or harmed by the practice, the department will impose duties on the Japanese imports to make U.S. products more competitive. The commission has 45 days to act.

Federated Seeks to Sell 11 Stores

CINCINNATI (UPI) — Federated Department Stores Inc. and Allied Stores Corp. said Tuesday they had sought bankruptcy-court permission to sell nine Jordan Marsh and two Burdines department stores, saying they had received cash offers totaling $78 million for the 11 stores.

The 11 department stores are among 20 locations for sale under a Federated and Allied's strategy to improve operations and maximize the value of Burdines and Maas Brothers-Jordan Marsh, their Florida-based department store divisions. Federated and Allied are reorganizing under Chapter 11 bankruptcy protection from creditors.

15% of Shell Employees Face Layoff

HOUSTON (AP) — Shell Oil Co., a wholly owned subsidiary of Royal Dutch/Shell Group, said Tuesday it planned to reduce its work force by as much as 15 percent, or 4,700 employees, in the first major layoffs in the oil industry in five years.

The Houston-based petrochemical company said it would offer voluntary severance plans to some employees, but a spokesman said Monday that some involuntary layoffs were likely during the next 12 to 18 months.

Shell posted first-quarter earnings in April of $125 million, down 39 percent from the same period in 1990, on sales of $5.67 billion.

American Express Debt Downgraded

NEW YORK (Reuters) — Standard & Poor's Corp. downgraded ratings on American Express Co.'s senior debt and preferred stock, citing its ongoing concern over the company's Shearson Lehman Brothers financial-services subsidiary. The downgrade also reflects the likelihood that American Express may need to take further steps to shore up Shearson's capital, S&P said.

American Express had sought to avert a downgrade, infusing Shearson with more than $1 billion in capital and shuffling management last year.

Komatsu Enters U.S. Joint Venture

TOKYO (AFP) — Komatsu Ltd. of Japan said Tuesday it had formed a joint venture to manufacture press machines with Connell LP of the United States.

Komatsu, the world's second-largest construction-machinery maker, will take a 30 percent stake in the Chicago venture, Danly-Komatsu LP. The venture is based on Danly Machine, the top U.S. maker of large presses, which Connell will spin off. No financial details were disclosed.

FLY: *Airlines Are en Route to Recovery but Still Have a Long Way to Go*

(Continued from first finance page)

booking activity," said a United spokesman in Chicago. "International traffic is continuing to improve."

KLM Royal Dutch Airlines, after hitting bottom in February, is starting to see clearer skies ahead. Its May passenger traffic almost equaled last year's.

"I guess you could say traffic is starting to look O.K.," Jan Hellendoorn, a KLM spokesman, said in Amsterdam, "but we still have structural problems because of an increased cost level."

It will take strong further improvements for the overall airline industry to catch up.

Airline traffic would have to improve by 6.5 percent for the rest of the year to merely equal last year's disappointing levels, Mr. Eser said.

"We do know that they lost $2.7 billion on international scheduled services in 1990," he said. "And we suspect that the effects of the Gulf war and recession have lost them another $2.5 billion on those services already in 1991."

Most of the industry's problems can be traced to the Gulf war. Fuel prices began to soar in August as a result of Iran's invasion of Kuwait. By November, jet fuel prices had increased by 75 percent above midsummer levels.

The sudden plunge in traffic was too much turbulence for several U.S. airlines, aleady battered by higher fuel prices, and Pan American, Continental Airlines and Midway were driven into bankruptcy court. U.S. carriers cut prices to stimulate business.

Meanwhile, European airlines convinced the EC Commission to suspend its normal rules of competition for several months to allow them to coordinate route cutbacks to save money.

WORLD STOCK MARKETS

Agence France Presse July 2

Amsterdam	Close	Prev.
ABN Amro Hld	37.70	38
ACF Holding	34.80	34.80
Aegon	116.80	117.10
Ahold	81.80	81.60
Akzo	114	113.60
AMEV	50.70	51
A'Dam Rubber	3.30	3.50
Bols	203	203
Buhrmann Tett	50.60	50.60
Center Parcs	25.75	25.50
CSM	81.50	82.20
DAF	22.90	23
DSM	115.10	114.60
Elsevier	82.80	82.90
Fokker	33.90	33.90
Gist-Brocades	33.10	33.30
Heineken	150.10	150.50
Hoogovens	62.20	62.80
Hunter Douglas	89	86.50
IHC Caland	57.80	57.80
Inter Mueller	82.90	82
Int'l Nederland	48.50	48.80
KLM	30	30.20
KNP	53.40	53
Nedlloyd	56.70	58.20
Oce Grinten	48.60	48.10
Pakhoed	185.80	184.30
Philips	30.60	30.80
Robeco	102.20	101.10
Rodamco	57.30	57.20
Rolinco	102.60	101.90
Rorento	66.60	66.60
Royal Dutch	161.50	159.60
Unilever	165.10	163.40
Van Ommeren	46.50	45.90
VMF Stork	46	46.30
VNU	76.50	77.40
Wessanen	82.10	82
Wolters/Kluwer	52.80	52.40

CBS trend index: 93.20
Previous: 93.10

Brussels	Close	Prev.
AG Fin	1935	1920
Arbed	4430	4450
Barco	1164	1170
Bekaert	N.Q.	9540
Cockerill	187	187
Cobepa	5130	5100
Delhaize	7920	7920
Electrobel	4350	4300
GB-Inno-BM	1330	1334
GBL	3680	3705
Gevaert	6700	6750
Hoboken	10950	10800
Intercom	1891	[illegible]
Kredietbank	3975	3975
Petrofina	11675	11700
Royal Belge	4360	4370
Soc Gen Bque	4950	5010
Soc Gen Belgique	2415	2400
Sofina	11850	11975
Solvay	12975	12975
Tractebel	3330	3310
UCB	16825	16575
Powerfin	2325	2345

Current Stock Index: 5771.95
Previous: 5765.80

Frankfurt	Close	Prev.
AEG	194.60	197
Allianz Hold	2206	2242
Altana	601.50	603
Asko	831	843
BASF	232	233.10
Bayer	268.40	267.40
Bay. Hypo bank	347	351
Bay Vereinsbk	379	384
BBC	819.50	800
BHF Bank	381.80	382
BMW	470	477.50
Commerzbank	238.20	241.80
Continental	198.20	199.80
Daimler Benz	748	751
Degussa	351.80	354.50
Dt Babcock	178.20	180
Deutsche Bank	620.50	629
Douglas	807	824
Dresdner Bank	355.50	360
Harpener	N.A.	338
Henkel	554.50	558
Hochtief	1400	1400
Hoechst	239.20	239.10
Hoesch	253	244.50
Holzmann	1432	1462
Horten	200	195.50
IWKA	327.50	326
Kali Salz	169	165
Karstadt	630	636
Kaufhof	483	491
KHD	186	183
Kloeckner Werke	142	141
Krupp Stahl	152	144
Linde	817	829
Lufthansa	127.10	132
MAN	383	389
Mannesmann	284.20	283
Metallgesell	516	522
Muench Rueck	2240	2355
Nixdorf	253.70	252.50
PKI	503	503
Porsche	840	850
Preussag	352.50	354
PWA	268	273
RWE	393.60	397.50
Rheinmetall	343	351
Schering	804.50	808.50
SEL	365	364
Siemens	636.40	638.30
Thyssen	225.60	228.50
Varta	332	331
Veba	339.80	342
VEW	204.70	204
Viag	364.50	368
Volkswagen	389	391
Wella	668	668

DAX Index: 1670.50
Previous: 1625.20
FAZ Index: 673.95
Previous: 683.34

Helsinki	Close	Prev.
Amer A	60	60
Enso-Gutzeit	17.50	18.70
K.O.P.	32	32
Kymmene	59	61
Metra	68	68.50
Nokia	94	95
Pohjola	90	90
Repola	48	47
Stockmann	124	132

HEX Index: 954.80
Previous: 969.80

Hong Kong	Close	Prev.
Bk East Asia	17	17.20
Cathay Pacific	8.55	8.50
Cavendish Int'l	3.40	3.63
Cheung Kong	18.20	17.90
China Light Pwr	20.80	20.30
Dairy Farm Int'l	11	11
Hang Lung Dev	7.05	7.15
Hang Seng Bank	27.40	27.20
Henderson Land	11.70	11.50
HK Air Eng.	17.30	17.10
HK China Gas	10.90	10.80
HK Electric	12.10	12
HK Land	8.25	8.25
HK Realty Trust	5.75	5.80
HK Shang Bank	26.50	26.60
HK Shang Htls	4.45	4.50
HK Telecomm	6.70	6.60
HK Ferry	4.25	4.25
Hutch Whampoa	15.30	15.20
Hysan Dev	6.55	6.50
Jardine Math.	35.25	35
Jardine Str Hld	18.30	18.30
Kowloon Motor	7.35	7.30
Mandarin Orient	4.48	4.48
Miramar Hotel	5.20	5.20
New World Dev	10.60	10.50
SHK Props	20.10	19.60
Stelux	3.53	3.63
Swire Pac A	28.20	19.90
Tai Cheung Prps	4.10	4.13
TVE	1.40	1.40
Wharf Hold	9.30	9.25
Wing On Co	7.85	7.85
Winsor Ind.	9	8.95
World Int'l	5.05	5.10

Hang Seng Index: 3772.91
Previous: 3738.85

Johannesburg	Close	Prev.
AECI	12.80	13.50
Altech	95	95
Anglo Amer	114	113.50
Barlows	43.25	42.75
Blyvoor	7.25	7.25
Buffels	43.50	40
De Beers	80.15	79
Driefontein	42	41.85
Gencor	13.05	13
GFSA	84	81
Harmony	20.50	19.25
Highveld Steel	15.25	16.25
Kloof	34	33.85
Nedbank Grp	13.50	13.50
Randfontein	15	14.75
Rusplat	71.75	70.50
SA Brews	54.50	53.75
St Helena	27	26
Sasol	14	14
Welkom	16.75	16.75
Western Deep	134	133

Composite Stock Index: 3334
Previous: 3304

London	Close	Prev.
Abbey Nat'l	2.68	2.63
Allied Lyons	5.21	5.22
Arjo Wiggins	2.47	2.44
Argyll Group	2.91	2.86
ASDA Group	0.94	0.94
Ass Brit Foods	5.28	5.26
BAA	4.37	4.36
BAe	5.34	5.77
Bank Scotland	1.05	1.02
Barclays	4.33	4.32
Bass	9.17	9.13
BAT	7.33	7.23
BET	1.79	1.75
BICC	4.30	4.25
Blue Circle	2.43	2.40
BOC Group	5.72	5.67
Boots	3.67	3.64
BP	3.34	3.30
Brit Airways	1.61	1.60
Brit Gas	2.58	2.45
Brit Steel	1.25	1.25
Brit Telecom	3.59	3.58
BTR	3.79	3.78
Cable Wire	3.79	5.33
Cadbury Sch	3.60	3.47
Comm Union	4.73	7.68
Courtaulds	4.18	4.16
Enterprise Oil	5.24	5.20
Eurotunnel	4.60	4.60
Fisons	4.93	4.88
Forte	2.41	2.45
GEC	1.90	1.94
Gen'l Acc	5.32	5.27
Glaxo	12.48	12.53
Grand Met	7.48	7.39
GRE	1.86	1.88
Guinness	9.69	9.72
GUS	15.50	15.50
Hanson	2.06	2.02
Hawker Sidd	5.22	5.25
Hillsdown	2.21	2.10
ICI	12.50	12.47
Kingfisher	2.08	4.69
Ladbroke	2.39	2.38
Land Sec	4.73	4.77
Lasmo	3.38	3.41
Legal Gen Grp	4.10	4.02
Lloyds Bank	3.23	3.21
Lonrho	2.46	2.42
Lucas Ind	1.38	1.40
Marks Sp	2.46	2.44
Maxwell	2.00	2.00
MEPC	4.42	4.47
Midland Bk	1.86	1.87
Nat'l Power	1.34	1.37
NatWest	3.04	2.98
NthWst Water	2.60	2.53
Pearson	6.95	7.00
P & O	5.52	5.55
Pilkington	1.53	1.55
PowerGen	1.41	1.41
Prudential	2.27	2.24
Racal Elec	2.13	2.11
Rank Org	6.43	6.42
Reckitt Col	15.70	15.52
Redland	5.52	5.45
Reed Intl	4.02	3.98
Reuters	7.78	7.70
RMC Group	6.40	6.38
Rolls Royce	1.50	1.59
Rothmans	9.70	9.65
Royal Ins	4.17	4.15
Royal Scot	1.75	1.72
RTZ	5.62	5.52
Sainsbury	3.53	3.51
Scot Newcas	3.86	3.80
Sears Holds	0.73	0.72
Severn Trent	2.38	2.30
Shell	5.25	5.21
Smith Nephew	1.30	1.29
SmithKline B	7.67	5.10
Sun Alliance	3.70	3.69
Tarmac	2.19	2.13
Tate & Lyle	3.77	3.73
Tesco	2.67	2.28
Thorn EMI	7.46	7.50
Trafalgar Hse	2.29	2.28
TSB Group	1.39	1.40
Ultramar	2.87	2.81
Unilever	7.48	7.47
Utd Biscuits	3.69	3.61
War Loan 3½	34.25	34.19
Wellcome	6.70	6.59
Whitbread	4.53	4.55
Williams Hdgs	2.93	2.89
Willis Corroon	3.04	3.13

F.T. 30 Index: 1982.20
Previous: 1996.70
F.T.S.E. 100 Index: 2460.20
Previous: 2442.60

Madrid	Close	Prev.
Bco. Bilbao/Viz.	3280	3305
Banco Central	4245	4240
Bco. Santander	5180	5200
Banesto	3890	3870
CEPSA	2255	2260
Dragados	2655	2695
Iberduero	660	662
Telefonica	976	978

S.E. General Index: 275.56
Previous: 276.45

Milan	Close	Prev.
Alenia	2851	2857
Banca Comm	4615	4650
Bastogi	231	226
Benetton group	9676	9650
Ciga hotels	2605	2655
CIR	2885	2910
Cred Ital	2635	2702
Enichem	1468	1450
Eridania	6875	6870
Ferfin	2209	2232
Ferfin Risp	1380	1400
Fiat SPA	6145	6273
Generali	32840	33510
IFI	15500	15750
Italcem	21700	22222
Italgas	3060	3080
Italmobiliare	70500	71500
Mediobanca	15500	15608
Montedison	1515	1538
Olivetti	3805	3900
Pirelli	1975	2015
RAS	19400	19870
Rinascente	7194	7230
Saipem	1603	1630
SIP	1116	1130
SME	3006	3049
Snia	1495	1507
Standa	35840	35840
Stet	2049	2082
Toro Assi Risp	23500	24000

MIB Index: 1129
Previous: 1135

Montreal	Close	Prev.
Alcan Aluminum	23¾	23⅝
Bank Montreal	34¼	34⅛
Bell Canada	42⅛	41¾
Bombardier A	22½	22⅛
Bombardier B	22½	22½
Cambior	10½	10¼
Cascades	4.95	4.90
Dominion Text A	7⅝	8
Donohue	N.Q.	14¼
MacMillan Bl	20⅞	20⅝
Memotec	9¼	9¼
Nat'l Bk Canada	10⅞	10¾
Power Corp.	16½	16¾
Provigo	11¾	11⅞
Quebec Tel	15⅞	15½
Quebecor A	17¼	17¼
Quebecor B	16¼	16½
Videotron	14½	14⅝

Industrials Index: 1549.09
Previous: 1536.83

Paris	Close	Prev.
Accor	769	770
Air Liquide	651	657
Alcatel Alsthom	560	559
Bancaire (Cie)	486.50	491.10
BIC	689	688
Bongrain	2325	2340
Bouygues	574	580
BSN-GD	874	898
Carrefour	1822	1846
Cerus	123.20	125.90
Chargeurs	734	730
Club Med	444	450
Dassault Aviatn	477	475
Elf-Aquitaine	356.80	374
Europe 1	1080	1070
Gen. Eaux	2438	2440
Hachette	181	178
Havas	463	472.80
Imetal	295	298
Lafarge Coppee	363.80	362
Legrand	3470	3517
Oreal (L')	589	586
L.V.M.H.	4080	4148
Matra	212.10	214
Merlin Gerin	475	473
Michelin B	100.30	100.40
Moulinex	147.50	146
Occidentale	738	763
Paribas	422	430.10
Pernod-Ricard	1130	1120
Perrier	1421	1404
Peugeot	575	574
Printemps (Au)	715	710
Radiotechnique	470.80	474
Raff. St. Louis	1415	1410
Redoute (La)	3847	3823
Roussel Uclaf	1707	1700
Saint Gobain	432.50	435
Sanofi	852	860
S.E.B.	1500	1501
Skis Rossignol	639	631
Ste Generale A	416.80	421
Suez	349	350.70
Thomson-CSF	134.50	135
Total	768	768
Valeo	468	465

CAC 40 Index: 1758.47
Previous: 1772.81

Sao Paulo	Close	Prev.
Banco do Brasil	85	85
Bradesco	8	8.15
Brahma	34.10	34.90
Paranapanema	4.21	3.95
Petrobras	1180	1150
Vale Rio Doce	176	178
Varig	38.90	31.90

Bovespa Index: 13144
Previous: 12986

Singapore	Close	Prev.
City Dev.	3.30	3.26
DBS	12.10	12.10
Fraser Neave	8.30	8.35
Harrisons Plant	1.30	1.30
Haw Par	2.46	2.49
Hume	3.80	3.82
Inchcape	4.42	4.42
Keppel	7.65	7.60
KL Kepong	2.53	2.52
Lum Chang	1.14	1.15
Malayan Banking	4.38	4.54
OCBC	8.75	8.75
OUB	5.30	5.35
OUE	6.60	6.70
Sembawang	6.60	6.55
Shangrila	5.60	5.70
Sime Darby	2.38	2.38
SIA	13.70	13.50
S'pore Land	5.65	5.60
S'pore Press	8.95	8.95
Sing Steamship	2.53	2.59
Straits Trading	2.85	2.83
UOB	4.75	4.70
United Overseas	1.59	1.59

Straits Times Ind.: 1511.69
Previous: 1498.30

Stockholm	Close	Prev.
AGA	327	315
Alfa Laval	253	253
Asea	583	579
Astra-A	594	589
Atlas Copco	262	257
Electrolux B	276	271
Ericsson	206	204
Esselte-A	150	151
Handelsbanken	126	124
Norsk Hydro	190	187
Procordia AF	192	195
Saab-Scania	N.Q.	—
Sandvik	343	347
SCA-A	N.Q.	—
S-E. Banken	77.50	77
Skandia F	N.Q.	—
Skanska	409	399
SKF	110	110
Stora	380	380
Trelleborg B	134	134
Volvo	375	377

Affaersvaerlden: 1114.60
Previous: 1107.30

Sydney	Close	Prev.
ANZ	3.91	3.44
BHP	12.90	12.60
Boral	3.36	3.25
Bougainville	0.80	0.76
Coles Myer	11.05	10.75
Comalco	3.95	3.84
CRA	13.65	13.30
CSR	5.74	5.56
Dunlop	5.26	5.16
Fosters Brew	1.61	1.58
ICI Australia	4.15	4.07
Magellan	2.05	2.05
MIM	2.04	2.00
Nat Aust Bank	6.90	6.66
News Corp	7.56	7.30
Nine Network	0.54	0.53
N Broken Hill	2.35	2.24
Poseidon	1.15	1.14
QCT Resources	1.25	1.20
Santos	3.51	3.38
TNT	0.86	0.80
Western Mining	5.12	4.94
Westpac Banking	4.55	4.42
Woodside	3.55	3.43

All ordinaries index: 1543.20
Previous: 1522.80

Tokyo	Close	Prev.
Akai Electr	1260	1290
Asahi Chemical	730	740
Asahi Glass	1180	1170
Bank of Tokyo	1340	1340
Bridgestone	1030	1050
Canon	1550	1550
Casio	1510	1500
C.Itoh	647	645
Dai Nippon Print	1520	1500
Daiwa House	1890	1860
Daiwa Securities	1190	1130
Fanuc	5320	5390
Fuji Bank	2560	2570
Fuji Photo	3570	3610
Fujitsu	1110	1140
Hitachi	1160	1150
Hitachi Cable	1130	1130
Honda	1500	1500
Ito Yokado	4520	4470
Japan Airlines	1140	1130
Kajima	1480	1470
Kansai Power	2740	2820
Kawasaki Steel	406	413
Kirin Brewery	1450	1500
Komatsu	831	840
Kubota	690	691
Kyocera	6590	6480
Matsu Elec Inds	1690	1700
Matsu Elec Wks	1580	1580
Mitsubishi Bk	2560	2600
Mitsubishi Kasei	555	550
Mitsubishi Elec	704	710
Mitsubishi Hev	727	734
Mitsubishi Corp	1210	1220
Mitsui and Co	745	746
Mitsukoshi	1190	1190
Mitsumi	1740	1720
NEC	1480	1480
NGK Insulators	1110	1110
Nikko Securities	945	935
Nippon Kogaku	1190	1180
Nippon Oil	986	990
Nippon Steel	419	424
Nippon Yusen	613	618
Nissan	736	736
Nomura Sec	1740	1710
NTT (SF)	9970	10096
Olympus Optical	1300	1280
Pioneer	4850	4880
Ricoh	700	696
Sanyo Elec	568	575
Sharp	1580	1570
Shimazu	801	800
Shinetsu Chem	1670	1630
Sony	6440	6490
Sumitomo Bk	2260	2230
Sumitomo Chem	488	475
Sumi Marine	907	874
Sumitomo Metal	438	449
Taisei Corp	925	935
Taisho Marine	926	920
Takeda Chem	1540	1510
TDK	6250	6100
Teijin	556	565
Tokio Marine	1250	1240
Tokyo Elec Pw	3720	3720
Toppan Printing	1360	1410
Toray Ind.	618	625
Toshiba	756	760
Toyota	1680	1660
Yamaichi Sec	890	905

Nikkei 225: 23296
Previous: 24190
Topix Index: 1866
Previous: 1868

Toronto	Close	Prev.
Abitibi Price	15½	15⅝
Agnico Eagle	5⅝	5⅝
Air Canada	9⅞	9⅝
Alberta Energy	17¼	17¼
Am Barrick Res	25⅛	25½
BCE	42⅜	41⅞
BCED	0.16	0.17
Bk Nova Scotia	16⅜	16½
BC Gas	15⅝	15⅝
BC Phone	19¼	19⅝
BP Canada	15	14⅞
Bramalea	6⅞	6⅝
Brunswick	N.Q.	—
CAE	7	7
Campeau	0.58	0.56
CIBC	30½	29⅞
Canadian Pacific	19¼	19
Can Packers	15⅝	15¾
Can Tire A	25¼	24⅞
Canadian Turbo	2⅛	2.45
Cantor	27⅞	27⅝
Cara	19⅝	19⅝
CCL Ind B	11	11
Cineplex	5⅜	6
Cominco	24⅝	24⅝
Conwest Expl A	13	N.Q.
Corona A	N.Q.	—
Denison Min B	0.43	0.45
Dickenson Min A	3.45	3.10
Dofasco	20⅝	20½
Dylex A	4.80	4.85
Echo Bay Mines	11¼	10⅞
Equity Silver A	1.18	1⅛
FCA Intl	6⅝	6¼
Fed Ind A	N.Q.	—
Fletcher Chall A	18	18
FPI	7⅛	N.Q.
GoldCorp	3.45	3½
Gulf Cda Res	8⅝	9
Hees Intl	18½	18⅝
Hemlo Gld Mines	11	10½
Hollinger	12½	12½
Horsham	11	10⅞
Hudson's Bay	36	35½
Imasco	30⅝	30½
Inco	40⅝	40¾
Interprov pipe	38¼	30½
Jannock	16	16¼
Labatt	23¼	23½
Loblaw Co	20½	20⅝
Mackenzie	6¼	6¼
Magna Intl A	11⅛	11⅛
Maritime	19	19
Mark Res	7⅛	7⅛
MacLean Hunter	10¼	10¼
Molson A	44⅝	44¼
Noma Ind A	7¾	7½
Noranda	19⅝	19¾
Noranda Forest	9⅜	9⅝
Norcen Energy	21⅛	21¼
Nova Corp	7⅝	7⅝
Oshawa	29⅝	29⅝
Pagurin A	6¼	6⅛
Placer Dome	16	15½
Poco Petroleum	8	8⅛
PWA Corp	8⅛	8
Quebec Sturgeon	N.Q.	—
Rayrock	8⅝	8
Renaissance	15	15⅛
Rogers B	10	10
Rothmans	59⅛	59¼
Royal Bank Can	24	23⅞
Royal TrustCo	9⅞	9⅝
Sceptre Res	3.10	3.15
Scott's Hosp	18½	18¼
Seagram	121	119⅝
Sears Can	13⅛	13⅞
Shell Can	42⅛	42⅛
Sherritt Gordon	7⅛	7⅛
SHL Systemhse	6⅛	6½
Southam	18½	18½
Spar Aerospace	12⅛	12⅞
Stelco A	6⅝	6¼
Teck B	22⅛	22
Thomson News	15½	15⅝
Toronto Domn	18⅛	18⅜
Torstar B	25	25¼
Transalta Util	12⅞	12¾
TransCda Pipe	17½	17⅝
Triton Finl A	N.Q.	18⅝
Trimac	8½	8⅝
Trizec A	13⅛	13⅞
Unicorp A	0.95	0.97
Woodward's Ltd	N.Q.	—

TSE 300 Index: 3493.70
Previous: 3465.90

Zurich	Close	Prev.
Adia Intl	835	820
Alusuisse	1135	1130
Leu Holdings	1710	1670
Brown Boveri	4510	4480
Ciba Geigy	2990	2980
CS Holding	1930	1895
Elektrow	2830	2800
Fischer	1470	1460
Interdiscount	3090	3100
Jacobs Suchard	8500	8500
Jelmoli	1430	1405
Landis Gyr	1110	1095
Moevenpick	4400	4310
Nestle	8560	8540
Oerlikon-B	460	465
Pargesa Hld	1220	1160
Roche Holding B	4770	4750
Safra Republic	90	90
Sandoz	2210	2160
Schindler	5430	5350
Sulzer	405	400
Surveillance	7930	7900
Swissair	840	852
SBC	323	320
Swiss Reinsur	545	542
Swiss Volksbank	1370	1320
Union Bank	3560	3520
Winterthur	3750	3780
Zurich Ins	2130	2140

SBS Index: N.A.
Previous: 618.10

U.S. FUTURES

Via Associated Press July 2

Grains

Season High	Season Low		Open	High	Low	Close	Chg.
WHEAT (CBT) 5,000 bu minimum- dollars per bushel							
3.63	2.55½	Jul	2.68½	2.70	2.61	2.64	—.03
3.26	2.67	Sep	2.78	2.79	2.70½	2.75¼	—.00½
3.25	2.81½	Dec	2.92	2.93	2.84½	2.87½	—.03
3.70¾	2.89	Mar	2.99½	2.99½	2.91½	2.95	—.03
3.31	2.91	May	2.98½	2.98½	2.93	2.94	—.04
3.11	2.84	Jul	2.89½	2.93	2.87	2.87	—.02¼
Est. Sales Prev. Sales 16,868							
Prev. Day Open Int. 56,379 off 549							

WHEAT (KCBT) 5,000 bu minimum- dollars per bushel

	Open	High	Low	Close		Chg.
Jul	2.80	2.80	2.73½	2.74½	—	.03¾
Sep	2.79¾	2.80	2.74½	2.75¼	—	.03¾
Dec	2.87½	2.89	2.83	2.84½	—	.02½
Mar	2.92¼	2.92¾	2.87¼	2.88½	—	.02½
May	2.90	2.90½	2.86	2.86	—	.03
Jul	2.84	2.84	2.80	2.82	—	.00½
Est.Sales	Prv.Sales 201	Prev.Day Open Int 1,761				Chg. unch

Season High	Season Low		Open	High	Low	Close	Chg.
CORN (CBT) 5,000 bu minimum- dollars per bushel							
3.08¼	2.23	Jul	2.36¾	2.37¼	2.28½	2.32¾	+.01½
2.87½	2.22¾	Sep	2.31¾	2.34¼	2.25	2.29	—.00¼
2.75	2.25½	Dec	2.33¾	2.36½	2.26	2.30¼	—.01½
2.75¼	2.33	Mar	2.41	2.44	2.33¾	2.38	—.01½
2.79½	2.38¾	May	2.47	2.49	2.39½	2.43½	—.00¾
2.82	2.43½	Jul	2.52	2.53	2.44	2.48½	—.00½
2.59	2.41	Sep				2.45	—.02
2.57¼	2.39	Dec	2.47	2.47	2.43	2.44	—.02
Est. Sales Prev. Sales 46,925							
Prev. Day Open Int.189,258 off 2,127							
SOYBEANS (CBT) 5,000 bu minimum- dollars per bushel							
7.18	5.22½	Jul	5.39	5.39	5.28½	5.31¼	—.01¼
6.95	.00½	Aug	5.39	5.40½	5.28½	5.31¾	—.03
6.54	5.26	Sep	5.41	5.42	5.28	5.32	—.04¼
6.74	5.31	Nov	5.48	5.48½	5.32	5.38¼	—.04¾
6.49½	5.41¾	Jan	5.58	5.59	5.42½	5.47¼	—.06
6.60	5.52	Mar	5.68	5.69½	5.52½	5.57½	—.07¼
6.62½	5.61	May	5.79	5.79	5.62	5.66¼	—.08¼
6.20¾	5.69	Nov	5.82	5.85	5.68	5.70	—.08
Est. Sales Prev. Sales 28,970							
Prev. Day Open Int. 96,594 off 2,865							
SOYBEAN MEAL (CBT) 100 tons- dollars per ton							
209.00	158.90	Jul	163.00	163.90	160.10	163.30	+1.80
195.50	160.90	Aug	164.90	165.80	161.70	164.10	+.50
193.50	162.20	Sep	166.40	166.80	162.50	164.20	—.40
189.00	162.40	Oct	166.00	167.00	162.50	164.30	—.70
191.50	162.80	Dec	168.00	168.00	162.80	164.30	—1.80
190.50	164.00	Jan	168.50	169.00	164.30	165.10	—2.20
1180.00	167.80	Mar	171.00	171.00	166.50	167.20	—2.80
191.00	168.00	May	169.40	169.40	167.00	167.50	—2.00
184.50	171.00	Jul	171.50	172.00	169.00	169.50	—1.20
Est. Sales Prev. Sales 21,244							
Prev. Day Open Int. 61,841 off 1,800							
SOYBEAN OIL (CBT) 60,000 lbs- dollars per 100 lbs.							
25.60	18.25	Jul	18.88	18.98	18.70	18.78	+.02
25.50	18.37	Aug	19.02	19.10	18.79	18.87	+.02
25.10	18.53	Sep	19.22	19.25	18.97	19.04	+.04
24.90	18.71	Oct	19.35	19.37	19.11	19.18	+.02
24.05	19.05	Dec	19.69	19.73	19.42	19.54	+.03
24.15	19.25	Jan	19.85	19.85	19.63	19.65	
23.50	19.60	Mar	20.20	20.20	19.95	19.95	+.03
23.62	19.90	May	20.30	20.30	20.25	20.27	+.05
22.50	20.25	Jul	20.50	20.50	20.50	20.46	+.09
22.10	21.40	Aug	20.55	20.55	20.55	20.55	+.04
Est. Sales Prev. Sales 9,853							
Prev. Day Open Int. 75,007 off 679							

Livestock

Season High	Season Low		Open	High	Low	Close	Chg.
CATTLE (CME) 40,000 lbs.- cents per lb.							
75.80	70.35	Aug	72.80	73.30	72.77	73.07	+.37
76.90	70.70	Oct	74.92	75.35	74.82	75.17	+.25
77.00	71.75	Dec	75.55	75.87	75.50	75.80	+.28
76.70	72.80	Feb	74.80	75.17	74.80	75.02	+.15
77.80	75.10	Apr	75.40	75.40	75.25	75.40	+.15
75.15	73.00	Jun	73.50	73.65	73.50	73.55	+.15
Est. Sales 15,220 Prev. Sales 12,722							
Prev. Day Open Int. 68,734 up 1,015							
FEEDER CATTLE (CME) 44,000 lbs.- cents per lb.							
89.00	80.20	Aug	88.65	88.75	88.27	88.72	+.10
88.10	79.75	Sep	87.50	87.40	87.10	87.47	+.10
87.90	80.20	Oct	87.02	87.15	86.75	87.12	+.07
87.85	81.20	Nov	87.00	87.07	86.75	87.05	+.10
87.80	84.00	Jan	86.90	86.95	86.90	86.95	—.05
87.10	84.75	Mar	85.65	85.90	85.65	85.90	+.15
87.00	84.50	Apr	85.50	85.50	85.40	85.50	+.05
84.50	83.75	May	84.55	84.55	84.55	84.75	+.25
Est. Sales 2,252 Prev. Sales 2,156							
Prev. Day Open Int. 14,586 up 460							
HOGS (CME) 40,000 lbs.- cents per lb.							
58.37	48.30	Jul	53.80	53.95	53.20	53.75	+.55
55.50	46.90	Aug	49.15	49.45	48.50	48.95	—.12
49.55	42.90	Oct	43.70	43.60	42.75	43.10	—.60
48.92	43.97	Dec	43.30	43.90	43.10	43.45	—.52
48.25	43.52	Feb	43.60	43.70	43.02	43.27	—.25
46.62	41.95	Apr	41.95	42.15	41.50	41.65	—.30
50.60	45.90	Jun	45.90	45.90	45.70	45.70	—.20
Est. Sales 8,672 Prev. Sales 3,468							
Prev. Day Open Int. 18,286 up 156							
PORK BELLIES (CME) 40,000 lbs.- cents per lb.							
72.80	49.70	Jul	47.70	47.70	47.70	47.70	—2.00
70.05	45.65	Aug	43.65	43.95	43.65	43.65	—2.00
63.00	47.82	Feb	46.05	46.90	45.82	45.82	—2.00
61.00	49.40	Mar	45.80	45.98	45.80	45.40	—1.57
58.20	49.90	May	46.20	46.20	46.20	46.10	—1.50
57.00	52.05	Jul	48.10	48.40	48.10	47.70	—2.00
Est. Sales 2,446 Prev. Sales 779							
Prev. Day Open Int. 8,577 off 99							

Food

Season High	Season Low		Open	High	Low	Close	Chg.
COFFEE C (NYCSCE) 37,500 lbs.- cents per lb.							
111.50	83.20	Jul	85.00	85.60	85.00	85.20	—.05
113.50	85.50	Sep	86.30	87.25	86.30	86.85	+.05
116.00	88.60	Dec	90.00	90.40	89.90	90.10	—.10
107.50	92.10	Mar	93.25	93.50	93.10	93.30	+.05
108.00	94.50	May	95.50	95.50	95.40	95.70	+.05
108.00	96.25	Jul	97.85	97.85	97.70	97.90	+.15
108.00	98.75	Sep	99.85	99.83	99.85	99.90	—.25
		Dec	103.25	103.25	103.25	103.00	—.25
Est. Sales 4,837 Prev. Sales 2,616							
Prev. Day Open Int. 41,693							
SUGAR-WORLD 11 (NYCSCE) 112,000 lbs.- cents per lb.							
14.40	7.45	Oct	8.48	8.53	8.36	8.44	—.02
10.14	7.56	Mar	8.28	8.37	8.24	8.30	+.02
9.77	7.65	May	8.33	8.43	8.33	8.36	+.04
8.85	7.85	Jul	8.43	8.48	8.40	8.48	+.05
8.85	8.05	Oct	8.60	8.60	8.60	8.60	—.03
Est. Sales 8,256 Prev. Sales 6,980							
Prev. Day Open Int. 93,687							
COCOA (NYCSCE) 10 metric tons- $ per ton							
1590	860	Jul	890	900	890	895	+11
1515	905	Sep	936	949	936	942	+11
1535	959	Dec	985	995	984	991	+12
1538	1005	Mar	1039	1039	1028	1035	+12
1385	1042	May	1064	1067	1060	1063	+13
1385	1064	Jul	1090	1095	1086	1093	+13
1220	1135	Sep	1122	1122	1109	1123	+16
		Dec				1163	
		Mar				1203	
1282	1282	May				1230	+8
Est. Sales 3,055 Prev. Sales 3,235							
Prev. Day Open Int. 51,031							
ORANGE JUICE (NYCE) 15,000 lbs.- cents per lb.							
180.00	102.50	Jul	116.25	117.90	115.60	116.75	+2.50
127.00	106.00	Sep	115.50	117.50	115.30	116.40	+1.55
121.00	111.00	Nov	116.00	117.25	116.00	116.25	+1.25
120.50	113.40	Jan	115.50	116.20	115.50	116.08	+.55
120.80	113.60	Mar	116.50	116.50	116.00	116.05	+.55
118.00	115.00	May				116.85	+.65
Est. Sales 1,500 Prev. Sales 1,194							
Prev. Day Open Int. 5,887							

Metals

Season High	Season Low		Open	High	Low	Close	Chg.
HI GRADE COPPER (COMEX) 25,000 lbs.- cents per lb.							
113.50	96.05	Jul	101.10	103.25	101.00	103.20	+1.80
109.00	96.10	Aug	102.15	103.30	102.15	103.45	+1.85
110.50	95.40	Sep	100.70	103.60	100.60	103.45	+2.25
106.90	95.30	Oct	101.10	102.20	101.10	102.85	+2.25
105.00	95.10	Nov	100.80	101.50	100.80	102.20	+2.20
108.50	94.50	Dec	99.40	101.55	99.20	101.55	+2.85
104.50	95.00	Jan				100.90	+2.00
105.10	95.00	Feb				100.35	+2.00
106.80	93.90	Mar	98.00	98.30	98.00	99.75	+1.95
99.10	93.50	Apr				99.25	+1.90
106.20	93.30	May	98.50	98.50	98.50	98.75	+1.85
		Jun				98.35	+1.80
103.80	92.80	Jul	97.00	97.00	97.00	97.95	+1.75
103.45	92.80	Sep				97.25	+1.75
100.50	91.60	Dec				96.75	+1.75
93.45	93.30	Jan				96.45	+1.75
96.65	92.80	Mar				96.25	+1.75
		May				96.05	+1.75
Est. Sales 9,080 Prev. Sales 7,174							
Prev. Day Open Int. 35,424 off 997							
SILVER (COMEX) 5,000 troy oz.- cents per troy oz.							
667.5	360.1	Jul	441.0	442.0	436.0	440.8	—3.1
446.0	439.0	Aug				442.5	—3.3
654.0	367.5	Sep	445.5	446.5	440.0	445.5	—3.3
623.5	374.0	Dec	453.5	454.0	448.0	453.4	—3.3
596.0	402.0	Jan				455.5	—3.3
613.0	382.0	Mar	458.5	462.5	458.5	462.0	—3.3
589.0	385.0	May	465.5	465.5	465.0	467.9	—3.3
557.0	395.0	Jul				473.8	—3.3
483.0	412.0	Sep				480.4	—3.3
507.0	408.0	Dec	489.5	489.5	489.0	490.5	—3.3
505.0	440.0	Jan				494.1	—3.3
513.0	457.0	Mar	500.0	500.0	500.0	500.9	—3.3
Est. Sales 8,000 Prev. Sales 11,895							
Prev. Day Open Int. 96,466 off 696							
PLATINUM (NYME) 50 troy oz.- dollars per troy oz.							
528.50	366.00	Jul	378.00	380.80	378.80	379.90	—1.60
513.00	370.50	Oct	384.00	385.50	383.60	384.90	—2.10
451.50	374.50	Jan	390.50	390.50	388.00	389.40	—2.10
438.50	378.00	Apr	393.50	393.50	393.50	393.40	—2.10
427.50	388.80	Jul				397.40	—2.10
Est. Sales Prev. Sales 2,251							
Prev. Day Open Int. 17,307							
PALLADIUM (NYME) 100 troy oz- dollars per oz							
119.40	80.75	Sep	97.00	97.75	97.00	97.30	—.55
114.50	82.50	Dec	98.00	98.50	98.00	98.30	—.55
135.75	88.75	Mar	99.25	99.25	99.00	99.30	—.55
101.75	100.50	Jun	100.25	100.25	100.25	100.80	—.55
Est. Sales Prev. Sales 104							
Prev. Day Open Int. 4,480							
GOLD (COMEX) 100 troy oz.- dollars per troy oz.							
370.00	357.00	Jul	367.00	367.00	367.00	367.90	—.30
468.00	333.90	Aug	368.40	369.80	367.80	369.40	—.50
373.80	371.00	Sep	369.70	369.70	369.70	371.10	—.50
476.00	359.30	Oct	371.60	373.10	371.60	372.90	—.50
483.00	362.00	Dec	375.70	376.40	375.00	376.40	—.50
456.50	366.00	Feb	379.50	379.70	379.50	379.90	—.60
446.00	369.70	Apr	382.40	382.50	382.40	383.40	—.60
467.00	375.00	Jun				386.90	—.60
426.50	377.50	Aug				390.60	—.60
410.80	389.50	Oct				394.20	—.70
406.80	383.50	Dec	398.50	398.50	398.50	398.00	—.80
		Feb				402.10	—.80
410.00	404.50	Apr				406.10	—.80
411.80	411.80	Jun				410.40	—.80
Est. Sales 16,000 Prev. Sales 23,856							
Prev. Day Open Int. 88,394 up 1,045							

Financial

Season High	Season Low		Open	High	Low	Close	Chg.
US T. BILLS (IMM) $1 million- pts of 100 pct.							
94.55	91.60	Sep	94.40	94.41	94.36	94.39	
94.16	92.24	Dec	93.98	94.00	93.97	93.98	—.02
94.03	93.42	Mar	93.86	93.86	93.86	93.87	—.02
93.50	93.15	Jun				93.54	
		Sep				93.14	
Est. Sales 3,678 Prev. Sales 10,958							
Prev. Day Open Int. 56,340 off 690							
5 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
00.230	98.275	Sep	99.210	99.210	99.175	99.190	—.020
98.275	98.190	Dec	99.010	99.010	99.000	99.005	—.030
Est. Sales Prev. Sales 7,616							
Prev. Day Open Int. 67,854 up 635							
10 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
100-1	96-1	Sep	97-13	97-14	97-9	97-12	—1
98-12	95-15	Dec	96-22	96-23	96-22	96-23	—1
97-5	95-8	Mar				96-6	—1
Est. Sales Prev. Sales 17,846							
Prev. Day Open Int. 81,763 off 71							
US TREASURY BONDS (CBT) (8 pct-$100,000-pts & 32nds of 100 pct)							
99-5	85-29	Sep	93-17	93-18	93-9	93-16	
98-20	85-19	Dec	92-25	92-25	92-19	92-25	
98-13	85-14	Mar	92-4	92-6	92-2	92-6	
97-19	85-3	Jun	91-19	91-20	91-17	91-20	
95-8	87-14	Sep	91-4	91-4	91-2	91-4	
94-11	85-6	Dec	90-19	90-23	90-19	90-23	+1
Est. Sales Prev. Sales 181,621							
Prev. Day Open Int. 255,000 off 1,597							
MUNICIPAL BONDS (CBT) $1000 x index-pts & 32nds of 100 pct							
92-11	84-7	Sep	91-9	91-10	91	91-10	+2
91-11	88-16	Dec				90-12	+2
89-17	88	Mar				89-18	+2
Est. Sales Prev. Sales 53							
Prev. Day Open Int. 434							
EURODOLLARS (IMM) $1 million-pts of 100 pct.							
93.77	90.04	Sep	93.52	93.53	93.49	93.52	
93.33	90.04	Dec	92.95	92.95	92.90	92.95	
93.17	90.09	Mar	92.81	92.84	92.78	92.82	—.01
92.77	90.35	Jun	92.41	92.43	92.37	92.41	—.01
92.44	90.32	Sep	92.02	92.03	91.98	92.01	—.02
92.10	90.24	Dec	91.68	91.70	91.65	91.68	—.01
92.03	90.28	Mar	91.69	91.73	91.67	91.70	
91.89	90.27	Jun	91.50	91.54	91.48	91.51	
91.81	90.27	Sep	91.32	91.37	91.31	91.33	
91.66	90.22	Dec	91.09	91.15	91.08	91.11	+.01
91.66	90.24	Mar	91.09	91.15	91.08	91.12	+.02
91.57	90.40	Jun	91.80	91.07	90.99	91.03	+.02
91.52	90.36	Sep	90.93	90.99	90.93	90.96	+.02
91.44	90.71	Dec	90.79	90.85	90.79	90.82	+.02
91.09	90.75	Mar	90.80	90.86	90.80	90.83	+.02
90.91	90.73	Jun	90.76	90.81	90.75	90.78	+.02
Est. Sales 107,927 Prev. Sales 145,138							
Prev. Day Open Int. 783,855 up 5,947							
BRITISH POUND (IMM) $ per pound- 1 point equals $0.0001							
1.9340	1.5896	Sep	1.5924	1.5956	1.5824	1.5858	—76
1.7900	1.5730	Dec	1.5780	1.5808	1.5670	1.5708	—72
1.6000	1.5780	Mar	1.5670	1.5670	1.5670	1.5592	—72
Est. Sales 15,043 Prev. Sales 16,854							
Prev. Day Open Int. 31,159 up 515							
CANADIAN DOLLAR (IMM) $ per dlr- 1 point equals $0.0001							
.8718	.7985	Sep	.8694	.8709	.8684	.8706	+5
.8667	.8175	Dec	.8649	.8660	.8649	.8659	+5
.8630	.8268	Mar	.8600	.8600	.8600	.8620	+5
.8585	.8330	Jun				.8579	+5
.8488	.8420	Sep				.8543	+5
Est. Sales 3,372 Prev. Sales 2,417							
Prev. Day Open Int. 28,621 off 806							
GERMAN MARK (IMM) $ per mark- 1 point equals $0.0001							
.6810	.5430	Sep	.5434	.5444	.5401	.5412	—22
.6770	.5390	Dec	.5395	.5405	.5366	.5374	—22
.5840	.5375	Mar	.5353	.5353	.5353	.5346	—22
Est. Sales 43,538 Prev. Sales 54,777							
Prev. Day Open Int. 72,207 up 7,817							
JAPANESE YEN (IMM) $ per yen- 1 point equals $0.000001							
.007870	.007003	Sep	.007192	.007196	.007172	.007178	—22
.007559	.006997	Dec	.007171	.007171	.007155	.007161	—22
.007302	.007000	Mar				.007159	—22
.007220	.007150	Jun				.007160	—23
Est. Sales 15,518 Prev. Sales 24,265							
Prev. Day Open Int. 48,531 up 800							
SWISS FRANC (IMM) $ per franc- 1 point equals $0.0001							
.8055	.6352	Sep	.6353	.6360	.6284	.6299	—66
.8090	.6334	Dec	.6332	.6340	.6261	.6278	—65
.6995	.6402	Mar	.6267	.6267	.6267	.6269	—65
Est. Sales 23,966 Prev. Sales 24,041							
Prev. Day Open Int. 37,471 up 2,574							

Industrials

Season High	Season Low		Open	High	Low	Close	Chg.
COTTON 2 (NYCE) 50,000 lbs.- cents per lb.							
94.45	65.67	Jul	69.70	71.25	69.70	71.13	+1.63
83.30	66.77	Oct	72.45	73.20	71.80	72.45	—.25
76.35	63.75	Dec	70.47	70.85	70.07	70.64	+.57
77.15	64.65	Mar	71.60	72.15	71.30	71.70	+.59
92.25	65.10	May	72.50	73.08	72.05	72.45	+.70
77.70	66.50	Jul	72.90	73.35	72.60	73.00	+.75
70.60	68.00	Oct	69.17	70.25	69.17	69.78	+.76
69.00	67.90	Dec	68.00	68.00	67.80	67.90	—.05
Est. Sales 7,500 Prev. Sales 10,921							
Prev. Day Open Int. 42,877							
HEATING OIL (NYME) 42,000 gal- cents per gal							
85.07	49.00	Aug	56.00	56.60	56.00	56.40	+.31
84.28	50.25	Sep	57.50	57.75	57.40	57.65	+.25
85.00	51.30	Oct	58.55	58.80	58.45	58.80	+.35
78.80	52.30	Nov	59.45	59.80	59.45	59.70	+.30
82.62	53.30	Dec	60.45	60.75	60.30	60.75	+.45
68.50	53.40	Jan	60.55	60.75	60.45	60.65	+.25
61.30	52.25	Feb	59.40	59.60	59.35	59.45	+.25
59.50	51.40	Mar	56.90	57.10	56.80	57.10	+.40
57.50	50.00	Apr	54.60	54.90	54.60	54.90	+.30
Est. Sales Prev. Sales 20,983							
Prev. Day Open Int.106,616							
CRUDE OIL (NYME) 1,000 bbl.- dollars per bbl.							
29.50	16.90	Aug	20.80	20.84	20.67	20.84	+.08
28.72	16.90	Sep	20.70	20.75	20.62	20.74	+.07
28.40	17.04	Oct	20.62	20.68	20.56	20.68	+.07
28.10	17.28	Nov	20.60	20.64	20.56	20.64	+.03
27.70	17.10	Dec	20.55	20.60	20.54	20.58	
27.60	17.25	Jan	20.46	20.52	20.45	20.52	+.05
27.00	17.50	Feb	20.35	20.36	20.35	20.36	
26.75	17.25	Mar	20.25	20.25	20.25	20.25	—.01
26.50	17.50	Apr	20.11	20.12	20.11	20.12	—.04
24.50	17.70	Jun	20.00	20.00	20.00	20.00	—.03
24.00	17.78	Sep	20.05	20.05	20.05	20.05	+.03
Est. Sales Prev. Sales 59,369							
Prev. Day Open Int.271,568							
UNLEADED GASOLINE (NYME) 42,000 gal- cents per gal							
90.50	53.50	Aug	62.85	63.65	62.60	63.40	+.58
87.00	51.40	Sep	61.40	61.75	61.00	61.60	+.32
86.75	49.75	Oct	58.80	59.05	58.65	58.95	+.18
66.75	48.60	Nov	57.30	57.45	57.30	57.45	+.03
75.25	47.75	Dec	56.30	56.40	56.20	56.20	—.07
58.00	47.00	Jan	56.00	56.00	55.50	56.00	+.33
58.20	50.70	Feb	56.00	56.15	55.90	55.95	—.02
Est. Sales Prev. Sales 12,636							
Prev. Day Open Int. 73,637							

Stock Indexes

Season High	Season Low		Open	High	Low	Close	Chg.
SP COMP. INDEX (CME) points and cents							
396.85	304.00	Sep	380.20	380.90	379.60	380.65	+.15
399.05	321.75	Dec	383.05	383.70	382.80	383.60	+.15
401.05	380.00	Mar				386.70	—.05
		Jun				389.70	—.05
Est. Sales Prev. Sales 49,343							
Prev. Day Open Int.139,425 off 1,284							
NYSE COMP. INDEX (NYFE) points and cents							
216.40	173.18	Sep	208.05	208.50	207.75	208.25	+.05
217.60	175.50	Dec	209.35	209.85	209.30	209.70	+.05
217.90	207.20	Mar	210.85	210.95	210.85	211.20	+.05
		Jun				212.70	+.05
Est. Sales Prev. Sales 7,716							
Prev. Day Open Int. 4,443							

Commodity Indexes

	Close	Previous
Moody's	1,038.40	1,041.50
Reuters	1,745.60	1,755.50
Dow Jones Futures	124.13	124.23
Comm. Research	207.29	207.87

Market Guide

CBT:	Chicago Board of Trade
CME:	Chicago Mercantile Exchange
IMM:	International Monetary Market Of Chicago Mercantile Exchange
NYCSCE:	New York Cocoa, Sugar, Coffee Exchange
NYCE:	New York Cotton Exchange
COMEX:	Commodity Exchange, New York
NYME:	New York Mercantile Exchange
KCBT:	Kansas City Board of Trade
NYFE:	New York Futures Exchange

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OECD Sees Impetus For Italian Economy

Reuters

ROME — The Italian economy, mired in its worst growth year since 1983, should regain some momentum in 1992 although high local interest rates may restrain recovery, the OECD said in its midyear report on Tuesday.

The Organization for Economic Cooperation and Development said stimulus could come from export growth as the stronger dollar makes Italian products more competitive.

Meanwhile, a lower rating from Moody's Investor Services has dealt a fresh blow to Italy's financial credibility. The government has not reacted to Monday's announcement that the U.S. rating agency cut its rating on Republic of Italy debt to AA1 from AAA.

The OECD report said Italy's internal demand was expected to increase under continuing wage increases, and this would also help boost economic growth to 2.7 percent next year. The Italian economy was expected to expand around 1.7 percent in 1991.

Italy's Finance Ministry said recently that growth could slow this year to about 1.4 percent, but many private economists see gross domestic product expanding no more than 1 percent in 1991.

The level of next year's real interest rates, the difference between the nominal rate and inflation, was in doubt, the OECD said. Italy has needed to keep these rates high due to its public-sector deficit.

In its decision to demote Italy, Moody's spotlighted the problem of its public-sector deficit. The action makes Italy the only member of the Group of Seven not to hold the top rating.

Bond prices fell sharply in reaction to Moody's decision, but analysts and brokers expected the selling to be short-lived as the market had already fallen sharply over the past month.

The market's mood is "very black," said Mario Noera, economist at the merchant bank Euromobiliare, adding that there was a perception that the budget position "is out of control."

France Announces Italian Contract As Futures War With U.K. Heats Up

Reuters

PARIS — France stepped up the pressure in the fight with London to be the site of Europe's premier financial-futures exchange, with an announcement Tuesday that it would launch a futures contract in Italian government bonds on Sept. 5.

The London International Financial Futures Exchange, which is to launch a similar contract on Sept. 19, said Tuesday that it had approved the details of its own plan.

"It is a way to avoid giving the British a clear field in this part of the market," said Gérard Pfauwadel, the chairman of the French futures and options exchange, known as MATIF, at a news conference in Paris.

He said he hoped to get support for the contract from the Italian authorities, and thus gain an edge over Britain. Italy has no futures exchange, but it has the world's third-largest government bond market.

Mr. Pfauwadel said MATIF had offered to help Italy set up a futures exchange.

The London exchange's contract will be on bonds of 8 to 10.5 years' maturity against MATIF's 6 to 10 years, and will have an interest rate of 12 percent against MATIF's probable 10 percent. The London contract will be double MATIF's likely 100 million lire ($74,000).

"Until recently, the majority of Italian government debt was of short maturity and mostly comprised floating-rate instruments, which could not be considered to represent appropriate forms of debt on which a futures contract could be based," the London exchange said.

GEC Profit Slumped In 1990

By Leigh Bruce
International Herald Tribune

LONDON — General Electric Co., the British electronics and engineering giant, reported Tuesday a modest drop in pretax profit last year, to £818 million ($1.3 billion) from £872 million, and attributed the decline to the worldwide economic slowdown.

Executives warned that difficult economic conditions would force the company to intensify its restructuring efforts, including further job cuts on top of last year's reduction of 11,000 people.

Nonetheless, with order books at a record high of £10.6 billion and revenue up to £9.5 billion from £8.7 billion the year before, analysts said the group remained in reasonably good shape.

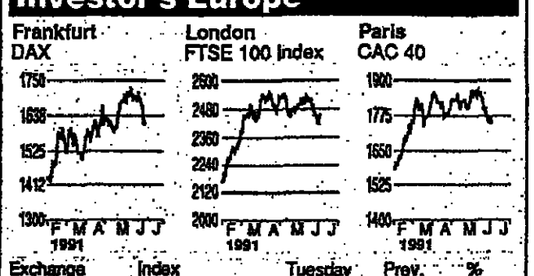
"In retrospect, this should be looked upon as an acceptable performance," said Chris McFadden of Smith New Court. He warned, however, that the current year could remain difficult given the gloomy outlook for the British economy.

But others were not as sanguine. GEC benefited from a slight boost in demand for military electronics during the Gulf war and the contribution to profit of recent acquisitions in telecommunications and electronics.

"These results are slightly below what they should have been, and the company's share price will probably reflect the disappointment," Jim Ross of Hoare Govett predicted.

Lord Prior, the chairman, said that the company's performance was "not unsatisfactory" given the difficult economic conditions in all its major markets.

Investor's Europe



Exchange	Index	Tuesday Close	Prev. Close	% Change
Amsterdam	CBS Trend	93.20	93.10	+0.11
Brussels	Stock Index	5,771.95	5,765.80	+0.11
Frankfurt	DAX	1,610.50	1,625.20	-0.90
Frankfurt	FAZ	675.95	683.34	-1.08
Helsinki	HEX	954.80	969.00	-1.47
London	Financial Times 30	1,902.20	1,898.70	+0.18
London	FTSE 100	2,460.20	2,443.60	+0.68
Madrid	General Index	275.56	276.45	-0.32
Milan	MIB	1,123.00	1,135.00	-1.06
Paris	CAC 40	1,750.47	1,772.81	-1.26
Stockholm	Affarsvarlden	1,114.60	1,107.20	+0.67
Zurich	SBS	543.82	N.A.	-
Vienna	Stock Index	N.A.	618.10	-

Sources: Reuters, AFP

International Herald Tribune

Germany and Saudi Arabia Plan Investment Accord

Reuters

JIDDA — Economics minister Jürgen Möllemann of Germany said on Tuesday that Bonn and Saudi Arabia planned to sign an investment-protection agreement, but he criticized Saudi insistence that its trading partners boycott Israel.

Mr. Möllemann criticized Saudi Arabia for including clauses in contracts with German companies that seek to prevent them from doing business with Israel.

He said Bonn was trying to ban such discriminatory clauses within the European Community.

France Seeks Change In Oil-Futures Market

Reuters

PARIS — France has proposed a reorganization of the oil-futures trade, to expand the range of products quoted and to develop a futures market in the Gulf region, Industry Minister Dominique Strauss-Kahn said Tuesday.

The minister made the proposal on the second day of a Paris conference of oil producers and consumers, who were examining how to control wild fluctuations in the crude-oil market.

"These markets do not work as well as they should. The oil which is quoted on those markets are very special types like the Dubai," a crude oil traded on the Singapore futures market, and are not representative of the market, Mr. Strauss-Kahn said.

"So I made a proposal that market authorities should try to develop other types of products in futures markets, such as heavy oils and kerosene," he said, adding that he also suggested that a futures market be set up in the oil-rich Gulf region.

No hard decisions are expected at the Paris meeting, but some suggestions could be developed at follow-up talks between producer countries and consumer countries.

The French proposal appears to be based on a report, prepared for the government and circulated at the meeting, that details a long list of "imperfections" in the oil-futures market, including the fact that no major crude from the Middle East is widely quoted.

The report also cites what it calls the insufficiently representative nature of West Texas Intermediate, the crude oil quoted on the New York Mercantile Exchange, and it complains of domination by the New York market, where 80 percent of transactions are made.

New Meetings Set For Oil Producers And Consumers

Reuters

PARIS — Talks between oil producers and consumers ended Tuesday with an agreement to meet again both at technical and political levels, the secretary general of OPEC said.

"The results are much beyond our expectations," Subroto said at the conclusion of a two-day meeting organized by the French and Venezuelan governments.

First, there was a decision for energy experts to meet for consultations, which the International Energy Agency will organize. Secondly, multilateral government consultations were also agreed upon, he added.

The IEA, which watches over the energy interests of industrialized countries, was established in the aftermath of the 1973 Arab oil embargo. The talks had sought to bring oil producers and consumers together after decades of distrust.

NYK Line Buys British Distributors

Agence France-Presse

TOKYO — Nippon Yusen K.K said Tuesday that it had purchased the stock and real estate-related assets of three member companies of United Carriers International Ltd., a British distribution concern, for about nine billion yen (about $65 million).

NYK Line, as the giant shipping concern is known, said the purchase of the companies — Robson's Distribution Services, Thompson Jewitt International and Hudson Shepherd Transport — was aimed at further developing the line's distribution network in Europe before European Community integration in 1993.

Occidental Sells British Unit to Elf

The Associated Press

PARIS — Occidental Petroleum Corp. of the United States announced Tuesday the completion of the sale of its British oil and gas subsidiary to France's Société Nationale Elf Aquitaine for $1.35 billion.

Elf Aquitaine also takes responsibility for about $130 million of bank debt.

Trade Unit Says German Surplus to Drop by Half

Compiled by Our Staff From Dispatches

BONN — An influential trade group predicted on Tuesday that Germany's surplus, one of the main engines of economic growth in the 1980s, would drop by half in 1991.

The German Federation of Chambers of Commerce also said the nation's current-account balance of payments would be roughly in balance after swinging into a deficit at the start of the year.

The group's managing director, Franz Schoser, said exports were expected to rise by 2 percent to 3 percent this year.

Boosted by economic growth in West Germany and continuing strong consumer demand in the East, imports would jump by a strong 10 percent, he added.

Germany's trade account moved into a deficit for the first time in 10 years in April.

The trade surplus in the first four months of 1991 shrank to 5.4 billion Deutsche marks ($3 billion) from 44.5 billion DM for West Germany in the same 1990 period.

The 1990 trade surplus narrowed to 105 billion DM from 134 billion DM in 1989 and the current-account surplus to 77 billion DM from 107.6 billion DM.

Mr. Schoser said the strong rise in Germany's imports would have a beneficial impact on the economies of the nation's trading partners.

By the same token, the recovery in those economies during the course of this year would help German exports recover.

Noting that a dollar at 1.80 DM favored German exporters, Mr. Schoser said that exports to Latin America would grow by 14 percent and to Asia by 18 percent this year.

(AFP, Reuters)

Hoechst, Mitsubishi Link Businesses

Reuters

FRANKFURT — The German chemical group Hoechst AG and Japan's Mitsubishi Kasei Corp. plan to merge their polyester-foil activities, starting July 1, Hoechst said Tuesday in a statement.

Hoechst said the merger in polyester-foil research, production and sales would take place in several stages. The venture envisaged medium-term investment of over 300 million Deutsche marks ($167 million).

Gulf Crisis Boosted Demand for French Arms

Reuters

PARIS — Foreign orders for French weapons soared in 1990 to 33.4 billion francs ($5.4 billion) from 20 billion francs in 1989, largely because of the Gulf war, according to an official report made public on Tuesday.

The report, released by the government arms authority, attributed the increase to hurried purchases of tanks, artillery and anti-aircraft systems by Saudi Arabia and Kuwaiti forces in exile in the months before the January allied offensive against Iraq.

"But the figures should be put into proper perspective of the specific demands created by the war," a spokesman said. "The overall market tendency is still toward contraction."

France and Britain are competing for third place in international arms sales after the Soviet Union and the United States.

The report did not give country-by-country figures, but it said more than half the weapons orders in 1990 came from the Middle East and North Africa, compared with only one-third the previous year. It said orders dropped sharply in Western Europe and North America and increased slightly in the Far East.

Equipment for ground forces rose to 52 percent of the total in 1990, compared with 35.5 percent the previous year.

MEDIA: *Publisher Must Draw Line When It Comes to Helping Advertisers*

(Continued from first finance page)

than advertisers can resist in their search for what they call a "supportive editorial atmosphere" for their products.

Not unlike parents, publishers do have a good course of action available to them. "The only thing for a publisher to do is just say no," Mr. Kiplinger said.

□

Advertising-agency executives say management and administrative changes at Time Inc. Magazines seem intended to make it easier to package advertising in groups of magazines or in magazines in conjunction with other media owned by Time Warner Inc., the magazine group's corporate parent.

Christopher Meigher, who was chief executive of the Time Publishing Ventures unit, was Monday named president of its New York magazine division. Mr. Meigher, 44, will oversee Time, Life, People, Entertainment Weekly, Fortune, Money, Sports Illustrated and Sports Illustrated for Kids.

Robert L. Miller, who had been worldwide publisher, becomes president of Time Publishing Ventures, overseeing the California-based magazines Sunset, Parenting, In Health and Hippocrates. Mr. Miller, 42, will also supervise efforts to expand into television and video production in conjunction with other units of Time Warner.

□

Gordon Bowen, the creative executive whose tug-of-war between two top New York advertising agencies has fascinated the industry for the past two weeks, has made up his mind, The New York Times reported.

Mr. Bowen, 40, will leave Ogilvy & Mather New York to join McCann-Erickson New York, where he will become executive vice president and chief creative officer.

His decision affects not only the two agencies, but also two of the largest advertisers, American Express and Coca-Cola.

At Ogilvy & Mather New York, where he was senior vice president and executive creative director, Bowen was responsible for the American Express account.

In addition to his post at McCann-Erickson New York, Mr. Bowen will assume a new position at McCann-Erickson Worldwide as chief creative officer for Coca-Cola.

NYSE

Tuesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

(Continued)

1980 *Sprint builds the first public data network for a PTT to provide national data communications service outside the U.S.* 1985 *Sprint expands its international network to extend to six continents.* 1987 *The Sprint network places first videoconference call between Japan and the U.S.*

CALL HOME WITHOUT AN INTERPRETER.

SPRINT EXPRESS TO THE U.S.

Any time you want to call home, you can talk with an operator who speaks your language — plain English. With Sprint Express.℠

It's convenient. You can call collect. Or use your local Bell calling card or FONCARD.℠ Whichever way you choose, you're always billed in U.S. dollars.

And Sprint Express can save you money as well as aggravation. You avoid the high phone fees that hotels charge. And you avoid the higher international phone rates of AT&T and MCI.

So when you want to call the U.S., call Sprint Express. It's the one call that makes sense — in any language.

Sprint Express Access Numbers: Your Way To Call The USA

To use Sprint Express, dial the Sprint Express Country Access Number listed below.

Sprint Express Countries	Country Access Numbers	Sprint Express Countries	Country Access Numbers
Argentina	001-800-777-1111	†Israel	177-102-2727
Australia	0014-881-877	†Italy	172-1877
†Belgium	11-0014	†Japan	0039-131
Brazil	000-8016	†Malaysia	800-0016
Chile	00*0317	†Netherlands	06*022-9119
Colombia	980-13-0010	New Zealand	000-999
†Denmark	800-10-877	Portugal	05017-1-877
†Finland	9800-1-0284	†Singapore	800-0877
†France	19*0087	†Sweden	020-799-011
†Germany*	0130-0013	†Switzerland	155-9777
Hong Kong	008-1877	# Taiwan	Dedicated Phones
Ireland	1-800-55-2001	U.K.	0800-89-0877

For additional country access numbers call 1-800-877-4646 while in the U.S.
* Wait for second tone.
† Public phones require coin or card.
# Dedicated phones in international airports and major hotels.
· Western portion only.
To reach customer service from any of these countries, dial the same Country Access Number.

Sprint.

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1988 *Sprint introduces GLOBAL FON.℠ Sprint inaugurates services to West Germany.* 1989 *Sprint completes PTAT-1, the world's first and largest privately owned transatlantic fiber optic cable. Sprint conducts the first transatlantic fiber optic call.* 1990 *Sprint announces the first commercial video services to the Soviet Union.*

NASDAQ

Tuesday's Prices

NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Chg
		A								
37¼	20	A&W Bd	.40	1.1	26	887	36½	35½	36½	+⅛
13½	4½	ACC Cp	.16	1.7	18	5	9½	9½	9½	—⅛
43¼	15¼	ADC	—	—	22	1485	42	40	41¾	+1¾
30⅞	9¼	ADT	—	—	—	9227	10⅛	10	10⅛	—
10¾	4	ASK	—	—	15	2944	8⅛	8	8⅛	+⅛
32¾	7¾	AST s	—	—	10	5480	21	19¾	20¼	—⅛
13	6⅞	Accel	.24	3.0	5	2	8	8	8	—
14⅛	3	Acclaim	—	—	9	454	3½	3⅛	3⅛	—⅛
17½	10⅛	AcmeSt	—	—	20	1	14	14	14	—
22	10	Acuom	—	—	14	13	11	11	11	+⅛
2⅞	⅝	AdacLb	—	—	18	1057	1⅝	1⅝	1⅝	—
23½	8½	Adept	—	—	10	211	12⅞	12½	12¾	+½
20⅛	6½	Adingt s	—	—	—	2082	6¾d	6	6⅛	—⅛
25¾	14½	AdiaSv	.16	.8	18	257	20½	19¾	20	+⅛
63	27	AdobeS	.32	.7	20	4116	46	44¼	44½	—1¼

AMEX

Tuesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Chg
		A								
9¼	7½	AIM Str	.84	9.7	—	182	8⅝	8½	8⅝	+ ⅛
1¼	¼	AIM Tel	—	—	—	10	⅛	⅛	⅛	—
9⅞	3	AMC	—	—	26	46	5⅞	5⅜	5⅞	— ⅛
2⅝	⅛	AOI	—	—	—	75	⅜	⅜	⅜	—
17¼	⅛	vlAT&E	—	—	—	1102	⅜d	¼	⅜	— ⅛
54¼	45⅛	ATT Fd	2.54e	4.9	—	93	52½	52⅛	52⅜	— ⅛
13½	2⅝	ATI	—	—	12	123	3⅛	3	3⅛	— ⅛
11¼	5	Abiomd	—	—	—	13	6⅝	6⅝	6⅝	— ⅛
4⅞	2⅞	AckCom	—	—	—	74	2⅝	2½	2½	— ⅛
7⅝	4½	AcmeU	.20e	4.2	13	1	4¾	4¾	4¾	—
5⅝	2	Action	—	—	—	97	5¼	5⅛	5¼	—
11½	3⅝	Acton	—	—	—	7	4¼	4¼	4¼	+ ¼
24⅜	15½	Acton pf	3.75	23.3	—	2	16⅛	16⅛	16⅛	—
13	6⅛	AdvMed	—	—	—	476	12⅛	11½	11⅞	+ ⅛
8⅝	6	AdMd pf	1.00	12.3	—	3	8⅛	8⅛	8⅛	— ⅛
30⅞	11⅝	AirWat	—	—	47	305	17	17	17	—
29⅝	10⅝	AirExp	.04e	.2	11	325	26⅝	26⅜	26⅝	+ ⅛
7¼	1⅝	Aircoa	—	—	—	46	1⅝	1⅝	1⅝	— ⅛
14	12¼	Alaist n	—	—	—	14	13⅞	13⅞	13⅞	— ¼
2¾	¾	Alfin	—	—	—	1	1⅛	1⅛	1⅛	—
4½	1⅜	AllouH	—	—	6	26	3⅝	3½	3½	— ⅛
1¼	⅛	Allou wt	—	—	—	34	1	1	1	+ ⅛
1⅝	⅛	Allstar	—	—	—	26	⅜	⅜	⅜	—
4¼	2⅝	Alphain	—	—	19	88	3⅞	3¼	3⅞	—
5⅝	1	AlpInGr	—	—	—	55	4	3⅞	3⅞	— ⅛
50½	40⅛	Alcoa pf	3.75	8.1	—	z300	47	46½	46½	— ½
68⅛	36⅝	Alza	—	—	78	1011	58⅝	58⅛	58⅜	+ ⅜
47¼	24⅛	Alza wt	—	—	—	60	37⅛	36⅝	37⅛	+ ⅜
18⅞	10	Amdhl	.10	.7	10	2604	15⅛	14⅞	15	—
⅛	⅛	Ambith	—	—	—	25	⅛	⅛	⅛	—
14⅝	11	AFstP2	1.47	12.0	—	226	14	13⅞	13⅞	—
4⅝	2¼	AExpl	—	—	34	723	2⅝	2⅜	2⅜	— ⅛
25⅝	19⅝	AFruc A	.40	1.8	19	44	22	21⅞	22	+ ⅛
22⅝	16	AFruc B	.40	1.8	10	4	22	21¾	21¾	— ¼
3⅝	¾	AHltMg	—	—	—	692	2¼	2⅛	2⅛	— ⅛
27⅝	16⅝	AmList	1.25e	5.6	19	31	22⅛	22⅛	22¼	+ ⅛
23⅞	16	AMzeA	.64	3.3	10	37	19⅝	19⅝	19⅝	— ¼
13	4	AMed	—	—	—	203	11⅜	11½	11½	— ⅜
9⅝	5¼	AmOil	—	—	12	3	7½	7⅝	7½	—
17⅝	6⅛	APrec	.20	2.8	15	121	7⅛	6⅞	7⅛	+ ⅛
15½	9	ARelian	.48	3.1	5	1	15¼	15⅜	15⅛	— ⅛
11⅛	9⅝	AResir	1.50a	15.0	7	20	10⅛	9⅞	10	+ ⅛
8⅝	4½	AScIE	—	—	—	29	5½	5⅛	5⅛	—
9	3⅝	AmSwM	1.40	17.8	8	123	7⅞	7⅞	7⅞	+ ⅛
2	1	ATechC	—	—	—	2	1⅛	1⅛	1⅛	—

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a — dividend also extra(s).
b — annual rate of dividend plus stock dividend.
c — liquidating dividend.
cld — called.
d — new yearly low.
e — dividend declared or paid in preceding 12 months.
g — dividend in Canadian funds, subject to 15% non-residence tax.
i — dividend declared after split-up or stock dividend.
j — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k — dividend declared or paid this year, an accumulative issue with dividends in arrears.
n — new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd — next day delivery.
P/E — price-earnings ratio.
r — dividend declared or paid in preceding 12 months, plus stock dividend.
s — stock split. Dividend begins with date of split.
sls — sales.
t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u — new yearly high.
v — trading halted.
vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd — when distributed.
wi — when issued.
ww — with warrants.
x — ex-dividend or ex-rights.
xdis — ex-distribution.
xw — without warrants.
y — ex-dividend and sales in full.
yld — yield.
z — sales in full.

هكذا من الأجل

From Tokyo, a Lesson in Cooperation

By Paul Blustein
Washington Post Service

TOKYO — Is the Japanese market characterized by free and open competition? Most Japanese business executives offer assurances that the answer is yes.

But every so often, one of Tokyo's captains of industry will make a revealing comment that in Japan, competition can be different — you might say more cooperative — than foreigners are accustomed to.

A classic example came Tuesday from Katsunosuke Maeda, the president of Toray Industries Inc., a $6.1 billion maker of textiles, fibers, plastics, chemicals and other products. At a luncheon with foreign reporters, Mr. Maeda explained why his company avoids selling low-cost products in Japan that are made in the company's Southeast Asian plants.

Toray, he said, does not want to sow "chaos" or "confusion" in the Japanese market and does not want to drive smaller companies out of business. His expression of concern about market chaos and confusion was an unusually candid acknowledgment of a sentiment commonly held by Japanese, that competition can become "excessive" and thus unhealthy.

To Japan's critics, such sentiment is evidence that the nation's economic system has been based at least partly on collusion among companies.

In the decades following World War II, the Ministry of International Trade and Industry often organized cartels during recessions to gradually curb production and make sure that ruinous competition would not drive the weakest companies into bankruptcy. Partly because of U.S. protests, the ministry has all but abandoned cartel formation.

A commonly held sentiment is that competition can become 'excessive' and, therefore, unhealthy.

But Mr. Maeda's comments indicate that the abhorrence of excessive competition remains alive and well in the top ranks of Japanese industry.

Although Toray has established a number of synthetic-fiber plants in Asian nations including Malaysia, Thailand, and Indonesia, it exports "almost none" of their products back to Japan, Mr. Maeda said, because the products are highly competitive both in price and quality.

"So if we bring those products back to Japan," he said, "that might damage the Japanese industry."

Also, he added, other nations need the fibers and Japan has adequate supplies.

But what about Japanese consumers, so often the forgotten factor in the economic equation? Would not they benefit from, say, cheaper high-quality fibers?

"If we try to sell cheap products freely in the market, I think the market will become chaotic or confused," Mr. Maeda replied. "We don't want to create that kind of confusion only for our profit. We don't want a situation in which the Japanese spinning companies and weaving companies go out of business.

"We want to foster the spinning and weaving industries in Japan, and also try to get the cheaper products for the consumer," he added. "We have to do it gradually. We cannot think only about the consumers' needs."

His remarks hardly mean that the Japanese companies do not compete with each other; the rivalries between, say, Toyota and Honda or Hitachi and Toshiba, can be as intense as those between companies anywhere.

Nor should his comments be taken to mean that Japan's market is completely closed. The American Chamber of Commerce in Japan recently released a report saying that the market had become considerably more open to foreign products in the past five years.

Scant Japanese Interest In East German Firms

Reuters

TOKYO — Japanese businessmen reacted coolly Tuesday to an appeal to buy state corporations in former East Germany, citing problems such as poor infrastructure, an ill-trained work force and rising wages.

About 100 representatives of major banks, trading companies and manufacturers attended a seminar given by Birgit Breuel, president of the Treuhandanstalt privatization agency, which has sold 2,200 of the 8,000 firms it inherited from East Germany.

Later she was to sign a letter of intent with MEI Japan Inc., a Tokyo-based electronic-parts firm that intends to buy Fernmeldetechnik GmbH, a telecommunications company employing about 700.

Given "resentment" toward Western Germans, Ms. Breuel said, "many East German firms would prefer a non-German owner."

Ms. Breuel said Treuhand would be responsible for surplus workers the new owner did not want; would take over some or all of the former company's old debts, and would cover 90 percent of the cost of any environmental cleanup.

Property rights were a problem initially but have been resolved, she said, with the claim of the investor normally superseding that of a former owner.

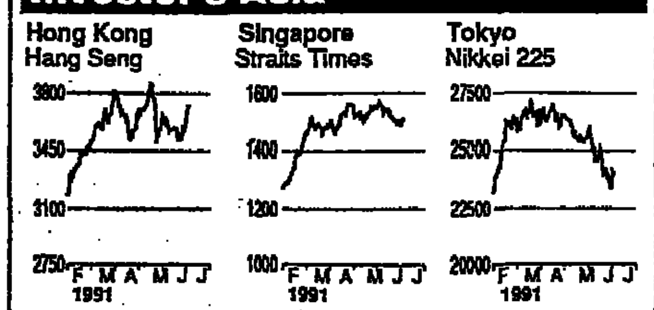
Roman von Rupp, the newly elected president of MEI Japan, said the company hoped that the purchase of the former East German telecommunications company, which makes key telephones and public coin-operated phones, would give his company access to the East European market.

Tadashi Ito, chairman of Sumitomo Corp., told the seminar he would lead a mission of Keidanren, Japan's biggest business group, to Eastern Germany in October.

The progress of direct investment into Eastern Germany "has not been satisfactory because of lack of infrastructure, environmental pollution and lack of clarity over ownership," he said.

Yasuharu Takahashi, joint general manager of the international finance department of Sumitomo Bank, said the question for Japanese companies was not whether to go to Eastern or Western Germany but where else to go in Europe.

Investor's Asia



Exchange	Index	Tuesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	3,772.91	3,738.85	+0.91
Singapore	Straits Times	1,512.13	1,498.30	+0.92
Sydney	All Ordinaries	1,543.20	1,522.00	+1.39
Tokyo	Nikkei 225	23,995.76	24,108.76	-0.47
Kuala Lumpur	Composite	613.50	615.69	-0.36
Bangkok	SET	739.54	765.21	-3.35
Seoul	Composite Stock	611.65	616.90	-0.85
Taipei	Weighted Price	5,613.10	5,768.08	-2.69
Manila	Composite	1,061.98	1,053.45	+0.81
Jakarta	Stock Index	N.A.	342.92	-
New Zealand	Barclays	1,473.99	1,421.83	+3.67
Bombay	National Index	634.28	627.73	+1.04

Sources: Reuters, AFP — International Herald Tribune

Nepal Devalues the Rupee

Agence France-Presse

KATHMANDU — Nepal is devaluing the rupee by about 7 percent against the U.S. dollar, a central bank official said Tuesday.

The new official exchange rate will be 38 Nepalese rupees to the dollar, compared with 35.3, the official of Nepal Rastra Bank said. On Monday, India devalued its rupee by about 9 percent.

The Nepalese currency was also devalued slightly against the Indian rupee, while the rate against such currencies as the yen, the Deutsche mark and the British pound would continue to be fixed daily according to international market prices, the official said.

Ram Sharan Mahat, finance adviser to the prime minister, said Nepal favored a lifting of restrictions on foreign-currency transfers, as was done recently in Pakistan, as well as the promotion of industry through a more active private sector.

Kaifu to Meet With EC Leaders

Reuters

TOKYO — Prime Minister Toshiki Kaifu will meet with leaders of the European Community this month, even if there is no joint declaration to sign, the Foreign Ministry said Tuesday.

A ministry spokesman said that Japan had agreed to a draft declaration extending political and cultural ties proposed by the Community but that some EC members had not endorsed it.

Mr. Kaifu is to visit the Netherlands on July 18 after the London meeting of the world's seven biggest industrialized countries. He will meet Prime Minister Ruud Lubbers, who holds the rotating presidency of the EC Council of Ministers, and Jacques Delors, the EC Commission president.

Japanese Farmers on Hunger Strike Seek to Keep Ban on Rice Imports

Reuters

TOKYO — Seven Japanese farmers on hunger strike outside the agriculture ministry appealed Tuesday to the government to resist international pressures and keep its ban on rice imports.

The seven, aged between 38 and 62, have taken nothing but water and salt since coming to Tokyo on Monday from their native Hokkaido island, a northern farming stronghold.

Seated on blankets in front of the ministry, they wore white headbands reading "No Liberalization of Rice Market."

"This is the second day. My mind is almost blank," said Isao Honma, 47. "But I believe this is a part of my responsibility to the next generation, or to my son. He is going to take over my job."

He added: "I want to remind the agriculture minister and prime minister that rice is the backbone of Japan's agriculture."

Japan, which annually consumes about 10 million metric ton of rice, bans commercial imports of the staple and subsidizes rice farmers, arguing that rice self-sufficiency is a matter of national security.

Japan is the world's biggest net food importer, and its food self-sufficiency has been hovering below 50 percent on a calorie basis for three years, according to official figures. Rice is the only grain Japan can supply by itself.

Its rigid ban on rice imports has brought sharp criticism from such food exporters as the United States.

The issue was expected to come up at Prime Minister Toshiki Kaifu's talks with U.S. President George Bush next week and also at the London summit of seven industrial democracies the following week.

At a weekend rally in Niigata, Japan's "rice capital" northeast of Tokyo, Mr. Kaifu said: "From the standpoint of food security, we will steadfastly keep our basic national policy of relying solely on domestic supply (of rice)."

Moody's Considers Downgrading Japan's Last 2 Top-Rated Banks

Agence France-Presse

TOKYO — Moody's Investors Services Inc. of the United States said Tuesday that it was considering downgrading Japan's last two triple-A-rated banks, Industrial Bank of Japan Ltd. and Norinchukin Bank, because of lower profitability.

"Both banks, for different reasons, face significant pressure on their earnings over the long term as a result of restructuring in their respective sectors of the Japanese financial system," the rating agency said. "The structural changes under way will inevitably weaken their credit quality and their ability to cope with competitive forces."

IBJ and Norinchukin are the last of 11 Japanese banks that received the agency's top credit rating five years ago. The most recent of the nine banks downgraded since then were Dai-Ichi Kangyo Bank Ltd., Sumitomo Bank Ltd., Fuji Bank Ltd. and Mitsubishi Bank Ltd., whose ratings were all cut last year.

The review affects $4.3 billion in long-term debt issued by IBJ, Japan's seventh-biggest bank in terms of assets, and its guaranteed subsidiaries in Australia and the Netherlands. It also affects $460 million in long-term debt issued by Norinchukin, the central cooperative bank for agriculture and forestry, which is ranked ninth in assets.

Toyota Suspends Production in Peru

Agence France-Presse

TOKYO — Toyota Motor Corp. said Tuesday it had suspended car production in Peru after the Lima government in March lowered import tariffs on finished cars from 50 percent to 15 percent.

Toyota said it had not yet decided whether to shut down its production subsidiary in Peru, Toyota del Peru, which was established in 1967 in line with Lima's decision to develop a domestic auto industry. Annual car output at the Toyota subsidiary has dropped from a peak of 7,300 units in 1975 to 1,700 units, mostly compact cars, due to economic stagnation.

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SPORTS

McDonald Gives Tigers Little to Chew On

By Steve Berkowitz
Washington Post Service

BALTIMORE — Ben McDonald said he would not have minded one more start in the minor leagues before returning to the Baltimore Orioles from a rehabilitation assignment for a strained muscle in his pitching elbow. But he appeared to be ready again for the major leagues.

In his first start since May 22, McDonald allowed only two base runners — both on singles — in eight innings of a 10-2 victory over the Detroit Tigers on Monday night.

With the Orioles taking leads of 3-0 in the first, 7-0 in the fourth and 10-0 in the fifth, McDonald had every opportunity to throw free and easy. He did, with 62 strikes in 89 pitches and strikes on the first pitch to 21 of the 26 batters he faced.

"I expect it to be sore and tight [Tuesday] because that's just the way it is," McDonald said. "That's the way it's supposed to be after you go out there and throw that many pitches."

The Orioles hit four home runs, with Cal Ripken, David Segui and Leo Gomez taking advantage of the short wall in left with runners on base.

Sam Horn chipped in with a bases-empty rocket into Detroit's bullpen in right-center.

Ripken's and Segui's homers were good for three runs, Gomez's for two. Gomez, who had been hitless in 14 at-bats, also doubled in a run.

● *In other games, The Associated Press reported:*

Yankees 6, Indians 2: Jesse Barfield and Kevin Maas hit consecutive home runs in New York for the second time in three games as the Yankees handed Cleveland its fifth straight loss.

Don Mattingly drove in two runs as the Yankees won for the sixth time in seven games. The Indians have lost 9 of 10 and 21 of their last 24.

Red Sox 6, Brewers 0: Rookie Mo Vaughn hit a two-run homer and drove in four runs while Roger Clemens, his start moved back a day by food poisoning, allowed only five singles in seven innings as Boston won in Milwaukee.

Clemens struck out eight and walked one for his first victory since June 14.

White Sox 5, Twins 4: Carlton Fisk's two-out homer for Chicago in the 10th inning in Minneapolis gave Minnesota its fifth loss in six games.

Royals 7, Athletics 3: Mike Boddicker held Oakland to four hits over 7⅓ innings and Kevin Seitzer hit a game-breaking three-run triple as visiting Kansas City won for only the second time in 10 games.

Boddicker took a two-hitter into the eighth before surrendering a two-run home run to Harold Baines.

Blue Jays 4, Mariners 3: Roberto Alomar doubled in two runs in the bottom of the ninth to tie the score in Toronto and then scored the winning run when Seattle catcher Dave Valle took his foot off the plate too soon.

Seattle starter Randy Johnson had a two-hitter and 11 strikeouts through eighth innings.

Angels 6, Rangers 2: Mark Langston won his sixth straight and Wally Joyner singled home the go-ahead runs in the seventh as California beat visiting Texas.

AMERICAN LEAGUE

Joe Giza/Reuters

Ben McDonald of the Orioles held the Tigers to two runners, both on singles, for eight innings.

'Tough Out' Sandberg Hard for Pirates to Digest

The Associated Press

Just when things seem out of reach, along comes Ryne Sandberg.

Thanks to Sandberg's bat, the Chicago Cubs overcame a 5-2 deficit and beat the Pittsburgh Pirates, 6-5, in 13 innings Monday night. Because of that comeback, the Pirates saw their lead in the National League East cut to five games over second-place St. Louis and to 5½ over third-place New York, as both those teams won.

The victory also kept the fourth-place Cubs at least within hailing distance, 11½ games out of first.

Sandberg's two-run homer in the eighth cut sharply into a 5-2 Pittsburgh lead, and Jerome Walton's bases-empty shot in the ninth tied the score before Sandberg won the game in the 13th with a single to right that scored Damon Berryhill from second.

"It was a great ball game," said the Pirates' manager, Jim Leyland.

As for Sandberg, Leyland said: "He's a tough out. That's why Sandberg is Sandberg."

"It was a good game all around," Sandberg said. "We kept chipping away. We had a couple of rallies, and then the crowd got into it."

With Andy Van Slyke getting four hits, one a fifth-inning homer, the Pirates built their 5-2 lead for starter Bob Walk, who was attempting to run his unbeaten record to 7-0. But the bullpen couldn't protect the lead.

Sandberg homered off Vicente Palacios in the eighth, and Walton went long off Bill Landrum, who failed for the first time in 16 save opportunities.

Stan Belinda had two out in the 13th when he hit Berryhill with a pitch and walked Mark Grace. Sandberg battled Belinda before punching a single to right.

"With two outs, you think you're out of the inning," Leyland said.

Cardinals 1, Phillies 0: Todd Zeile's bases-loaded single in the fifth scored Tom Pagnozzi and Bryn Smith held the home team to three hits over seven innings as St. Louis won its fourth game in a week over Philadelphia.

New York 4, Montreal 2: Howard Johnson moved atop the NL RBI list with 57 as New York made the most of second baseman Delino Deshields' throwing error in Montreal.

Daryl Boston hit a made-to-order grounder to Deshields with two out in the third, but Deshields threw the ball away, and Garry Templeton followed with a bloop double to left. Mark Gardner then hit Dave Magadan with a pitch to load the bases and walked Kevin McReynolds to force in a run before Johnson hit a two-run single to right.

NATIONAL LEAGUE

Mets Asking What Makes Gooden Tick

By Joe Sexton
New York Times Service

MONTREAL — There was no couch in the office, no notepad or tape recorder, no inquiry into childhood wounds or worries.

Still, the effort behind the closed door of the visiting manager's office Monday was to get into Dwight Gooden's head.

One day after pitching yet another game that was light years removed from those of his dominant past, Gooden met with the Mets' manager, Bud Harrelson, and Mel Stottlemyre, the pitching coach.

Stottlemyre, for one, emerged from the meeting convinced that there might be truth in his most recent diagnostic theory about what has been at the root of Gooden's ineffectiveness this season.

"He hasn't been able to let things roll off his back the way he used to in the course of a game," Stottlemyre said of the right-hander, who was throttled for three home runs and seven runs in 4⅓ innings Sunday afternoon. "I don't want to say he's been unsure of himself. But he's been tense. He's appeared uncomfortable out there."

Gooden agreed that he has allowed himself to be angered and thus distracted by specific setbacks on the mound and by his now long and poor stretch of pitching.

He conceded, too, the $15.45 million contract extension that he signed in the spring weighed on him during his humiliating first half of the season.

"Anytime you feel like that, it's tough to do well," said Gooden, who has given up five or more earned runs in seven of his last nine starts. "I get out on the mound, and I feel like I have to win that game.

"Last year, I struggled, but because of the lockout and my shoulder, I knew it was a matter of time before I got it straightened out. Now, there's just a lot of work to do."

Stottlemyre, who said that, other than an occasional "dropping down" in his delivery, there was no great mechanical problem for Gooden, thinks the bulk of the workload might be psychological.

"People look to him for so much that he's trying to reach for more than he's able to give," Stottlemyre said. "I want to try and get him to relax."

Until he does, no one else around the Mets is likely to.

From Little Stars, Major Sins

International Herald Tribune

LONDON — What are the chances that the next generation of soccer players will turn away from caution, cheating, and cynicism? Not good, to judge by FIFA's world youth championship, just completed in Portugal.

The 16-nation tournament ended on a goalless draw, after which the host country received the trophy through that abominable war of nerves called a penalty shootout, against Brazil. Call that sport if you choose; I never will. Far worse was the violence perpetrated by Argentine youth players emulating their disgraced 1990 World Cup elders.

Rob Hughes

It is not hard to guess why. Argentina's maligned approach came within minutes of winning that World Cup, and in defeat the country's president, Carlos Saúl Menem, publicly accused the referee of cheating his heroic countrymen.

The spite, the belief that winning justifies all, becomes inbred. In their late teens, attitudes and team orders are well set, so it will be interesting to see what, if any, will be the corrective effect of FIFA's two-year ban on Argentina at the youth level.

This follows five Argentines being booked, and three being ordered off, in the match against Portugal. It may not be coincidence that the worst prima donna was a youth with the most insane price on his head.

Juan Esnaider, 18, had just been sold by FC Oeste to Real Madrid when the Spanish club outbid AC Milan's $1.75 million offer. Dubbed the new Maradona — what else? — Esnaider allegedly tried to butt the referee and called him a "son of a whore." (Obviously, this must be another refereeing vendetta against Argentina.) Esnaider was ordered off, and FIFA has banned him from international matches for one year.

Given that Esnaider is some years away from full international blossom, the punishment is a slap on the wrist. But Argentina was not alone in claiming harsh punishment: An English youth, also sent off during the tournament, swears that a Spanish opponent was such an artful faker of fouls that the referee was twice fooled into giving a foul when no contact was made.

THEY ARE under such *pressure*, these little stars. A 16-year-old English defender, Steve Watson, returned from Portugal to the heady news that his club, Newcastle United, had spurned an offer of $2.4 million for his services. How do youngsters keep a perspective on values in so inflated a market? Watson, no doubt, has read the latest story about Olympique Marseille, that the French team has tried to tempt Genoa to sell its raw-boned Czechoslovak striker, Tomas Skuhravy, for $19.4 million.

A good, aggressive opportunist, Skuhravy. But not as classy a performer as Dragan Stojkovic, whom Marseille bought last year and has resold for $2 million less to Verona. Stojkovic failed the impatient French champion not in play but in having a knee so brittle it needed surgery, which laid him low during his only season there.

He is moved on like a fruit that has gone rotten. The market is unstable, riding on a roller coaster that has no more substance, stability or morality than the penalty shootout, which to many true lovers of soccer is an abortion of the team ethic.

The whole purpose of the youth tournaments, one thought, is to inculcate habits away from the cynicism that ruins the games of adults. FIFA suggested as much after the last, hollow World Cup, in which teams played for zero-zero scores and the penalty shootout lottery.

"Where have all the coaches gone who gave football zest and appeal?" demanded FIFA's general secretary, Joseph Blatter. "The aim of our sport, go for goal, has withered in favor of cautious tactics and the results must be described as disenchanting."

Indeed. But FIFA itself bears administrative responsibility for tournaments that cram too many games into implausibly tight schedules in the summer heat.

FIFA's addiction to penalties is equally disenchanting. Its latest summer magazine devotes a 10-page eulogy to them.

"The penalty," writes press officer Guido Tognoni, "has enriched football with one of the most thrilling elements imaginable. Penalties make football history, straining the nerves of the referee, the player taking the shot and the goalkeeper.

"In a penalty, a team sport is condensed into a duel in which the pressures are unevenly divided. The goalkeeper can only win, the man missing the target can only lose."

What weird rationale. Penalty shots are a punishment for misdemeanors that, in the referee's opinion, deprive the game of legitimate goals. The shootout is a bunch of cheap shots, a substitute for corrupted spirit and lost creative movement.

It sells the game short. It offers a compressed but utterly false thrill-a-minute finale, primarily to end a contest within television time limits. And some of us are convinced that not even FIFA would love it were it not perceived as an unsophisticated tool by which to grab the attention of Americans.

THE WORLD CUP of 1994 is now three summers away, and Sports Illustrated, the American magazine, has polled its readers on the popularity of soccer. Apparently, the game ranks 25th on a list of 28 sports, some way short of snorkling and pool.

No surprise there, given that after school or college America's organization for soccer-playing is primitive. But only 2 percent of those surveyed said they have seen a soccer match in 1990, and barely 9 percent admitted to any interest, making the whole corporate experiment of holding the world's most popular sport in the United States a jittery gamble.

I repeat my view that America will organize and transmit a World Cup as well as most sophisticated soccer nations could. The dollars will whirl, the curious will follow ethnically soccer-minded fans to the stadiums, and afterward Americans will ask, what was that phenomenon that just passed through?

Some youths who played in Portugal may be World Cup competitors by then — assuming none this time cheated, as Mexico, Iraq, Costa Rica and Nigeria did in the past by lying about the ages of men fielded as boys.

Sportsmanship, I believed, was beyond price. FIFA, however, offers this new enticement for the best behaved team at this year's under-17, under-20 and women's championships:

"Fifa will present the winner of the fair play competition not as before with a diploma but with a token valued at 10,000 Swiss francs to be exchanged for Adidas equipment. FIFA hopes in this way to give more than just symbolic support to the spirit of fair play at its own tournaments."

Rob Hughes is on the staff of the Sunday Times.

BOOKS

COURTING DANGER

By Alice Marble with Dale Leatherman. 255 pages. $19.95. St. Martin's Press Inc., 175 Fifth Avenue, New York, N. Y. 10010.

Reviewed by Jonathan Yardley

SUZANNE Lenglen, Helen Wills Moody, Helen Jacoby, Alice Marble — they were the great players of the earliest years of women's tennis, international figures in their day but largely forgotten now by the general public and, less forgivably, by the hugely successful players for whom they laid the groundwork.

Arguably the most celebrated of them was Alice Marble, who overcame a daunting succession of obstacles to win a dozen U.S. championships — four each in singles, doubles and mixed doubles — as well as one Wimbledon title and numerous others. She died late last year at the age of 77, but had completed work with Dale Leatherman on "Courting Danger," the story of a life that really was more interesting off the court than on.

Marble and Leatherman give mercifully little space to blow-by-blow accounts of matches Marble won and lost, preferring instead to concentrate on the difficult road to the top and on the relationships that made her life so interesting.

As a girl in San Francisco in the early '20s, Marble was a tomboy, emulating her baseball-playing brothers and even serving for a time as mascot for the city's famous minor-league team, the Seals. When her brother Dan suggested tennis she was insulted — "that sissy game!" — but soon enough, "in spite of myself, I was captivated." She began entering tournaments and winning, and seemed on the way to national prominence.

Two events slowed her progress. At 15 she was raped by a stranger in a park. Then in 1934, playing for the United States in the Wightman Cup, she collapsed on court; she was told she had tuberculosis and "will never be strong enough to play tennis again."

That she not merely recovered — she actually had "severe pleurisy and secondary anemia" — but went on to win all those championships is tribute not merely to her own determination but also to the tenacious support of Eleanor (Teach) Tennant, her coach. This strange, driven, charismatic woman was unquestionably the most important person in her life. Though the relationship had physical undertones that never surfaced, it had in most other respects all tension and melodrama of a long, difficult marriage.

Tennant played Henry Higgins to Marble's Eliza Doolittle, which was fine so long as the pupil was still learning. But in time, Alice wanted more from life than Teach could give her.

At first this took the form of an ardent affair with a young Swiss banker whom she calls Hans Steinmetz; then a lesbian affair with her Spanish teacher, Tica Madrigal; then a brief, happy marriage to Joe Crowley, as U.S. Army captain whose plane was shot down over Germany. Throughout it all, Teach was a constant, pleading with Alice to put tennis before love or anything else.

Crowley's death, Alice thought at the time, was the end of her own life as well, but considerable adventure remained to her. She says that she was recruited as a spy for the United States and that she ended up obtaining valuable information by renewing her affair with Hans Steinmetz; this part of the story contains elements that some readers are likely to find dubious, if not incredible, but it's an entertaining story all the same.

It is, as Marble's collaborator notes, a pity she didn't live to see that story published. She had a gift for self-promotion, and no doubt would have enjoyed the renewed, if minor, celebrity a book tour would have given her. She was smart, interesting and vivacious; her autobiography is distinguished by the same qualities.

Jonathan Yardley is on the staff of The Washington Post.

BEST SELLERS

The New York Times
This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

FICTION

This Week		Last Week	Weeks on List
1	HEIR TO THE EMPIRE, by Timothy Zahn	2	6
2	THE FIRM, by John Grisham	4	16
3	THE KITCHEN GOD'S WIFE, by Amy Tan		1
4	LOVES MUSIC, LOVES TO DANCE, by Mary Higgins Clark	3	8
5	OH, THE PLACES YOU'LL GO! by Dr. Seuss	1	66
6	THE RUSTLERS OF WEST FORK, by Louis L'Amour	10	2
7	AS THE CROW FLIES, by Jeffrey Archer	5	8
8	VORTEX, by Larry Bond	7	3
9	"H" IS FOR HOMICIDE, by Sue Grafton	6	9
10	IMMORTALITY, by Milan Kundera	9	5
11	THE NOVEL, by James A. Michner	15	9
12	PARADISE, by Judith McNaught		1
13	BEAST, by Peter Benchley		1
14	THE SEERESS OF KELL, by David Eddings	12	12
15	A SOLDIER OF THE GREAT WAR, by Mark Helprin	14	2

NONFICTION

1	THE COMMANDERS, by Bob Woodward	1	7
2	IRON JOHN, by Robert Bly	2	32
3	COUNSEL TO THE PRESIDENT, by Clark Clifford with Richard Holbrooke	4	4
4	CHUTZPAH, by Alan M. Dershowitz	14	2
5	REAL PONIES DON'T GO OINK! by Patrick F. McManus	6	3
6	SILENT COUP, by Len Colodny and Robert Gettlin	8	4
9	PAUL HARVEY'S FOR WHAT ITS WORTH, by Paul Harvey Jr.		1
8	FIRE IN THE BELLY, by Sam Keen	7	7
9	NANCY REAGAN, by Kitty Kelley	3	10
0	MY FAVORITE SUMMER 1956, by Mickey Mantle and Phil Pepe	13	6
11	WOODY ALLEN, by Eric Lax	5	4
12	DAVE BARRY TALKS BACK, by Dave Barry		1
13	PARLIAMENT OF WHORES, by P.J. O'Rourke	9	2
14	MUHAMMAD ALI, by Thomas Hauser		1
15	BOSS OF BOSSES, by Joseph F. O'Brien		1

ADVICE, HOW-TO AND MISCELLANEOUS

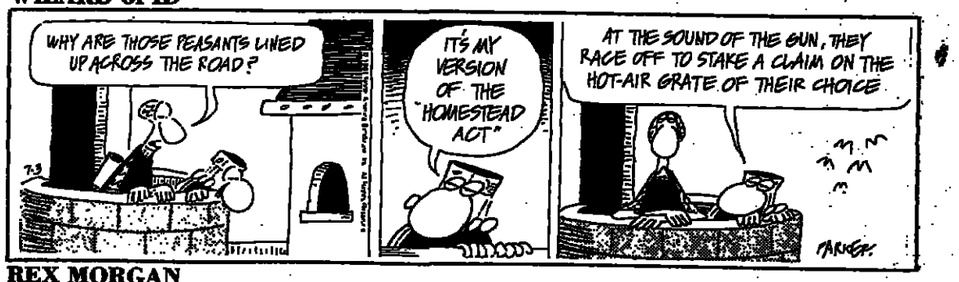
1	WHERE'S WALDO? by Martin Handford	2	34
2	WEALTH WITHOUT RISK, by Charles J. Givens		115
3	THE GREAT WALDO SEARCH, by Martin Handford	4	77
4	FIND WALDO NOW, by Martin Handford	5	21
5	FINANCIAL SELF-DEFENSE, by Charles J. Givens		25

PEANUTS

BEETLE BAILEY

ANDY CAPP

WIZARD of ID



REX MORGAN

GARFIELD

DOONESBURY

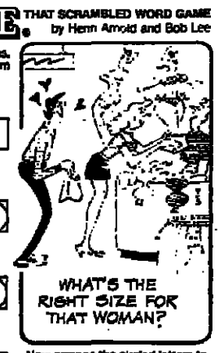
BLONDIE

DENNIS THE MENACE

JUMBLE. THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

SALIE
ILETT
GIZZAG
HEERIT



Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: THE _____

(Answers tomorrow)

Yesterday's Jumbles: FLANK PRIOR ORATOR ABDUCT
Answer: He is able to help people · · · OUT — OR IN

SPORTS

The Jekyll and Hyde Of Centre Court Gets A Tanning by Edberg

International Herald Tribune

LONDON — John McEnroe has had his moments on Wimbledon's Centre Court, where he won three championships and lost countless arguments with the umpires.

Most memorable, perhaps, were his battles with Bjorn Borg in the finals of 1980 and 1981.

McEnroe was back out there on Tuesday and gave Stefan Edberg a challenging first set even if, at 32, he was no longer capable of seriously threatening a defending champion, especially one with the best serve-and-volley game in the business.

"He deserves his due," McEnroe said after Edberg's 7-6 (7-4) 6-1, 6-4 fourth-round victory. "He outplayed me. When it really came down to it, he just played a little bit better than I did."

What it came down to was Edberg's near invincibility on his serve. Eight of the 15 games started by Edberg were won at love, and McEnroe must have been daunted as he began the tiebreaker knowing that Edberg had won 15 straight points on his serve.

Then, when Edberg won 20 consecutive points — including breaks — to close out the second set, McEnroe seemed to sense that the end was near.

He later called Edberg "a great player when he's ahead."

"He's tough to come back on when he's on a roll," McEnroe said. "Other players aren't that way."

McEnroe's love-hate relationship with Wimbledon goes back to 1977, when as a brash 18-year-old he bullied his way into the semifinals. Three years later, he took Borg through those five agonizing sets — including the famous 34-point fourth-set tiebreaker — before succumbing in what many regard as the greatest tennis match ever played.

But when McEnroe beat Borg the next year for the title, he had so alienated Wimbledon officialdom with his outrageous manners on the court that he was denied the traditional lifetime membership to the All England Club that normally goes with the championship. Not until 1983, when he beat Chris Lewis for the second of his three titles, was McEnroe finally accorded the honor of a membership.

McEnroe, recently a father for the third time, has calmed considerably since those Jekyll-and-Hyde days, although he rarely gets through a match without at least one tantrum.

He received a warning the other day for racket abuse, and in another match he actually demanded the removal of a linesman with whom he apparently had had trouble with before.

"Since there are so many linesmen, and since I feel like there have been problems in the past," McEnroe reasoned, "why not try one of the couple of hundred others around?"

Of course, the linesman stayed put.

McEnroe erupted briefly Tuesday when Edberg aced him to open the eighth game.

Kai-Uwe Wagner/Agence France-Presse

McEnroe: "When it really came down to it, he just played a little bit better than I did."

"It was this far outside the line," he screamed, hands shoulder width apart. McEnroe was still lecturing the line judge after Edberg had served out the game at love.

He similarly challenged a couple of other calls, but on the whole McEnroe stayed quiet and concentrated. So concentrated, in fact, that he once forgot about a changeover.

He had just won the first game of the third set with a good forehand volley and was roaming behind the baseline, his back to the net, to savor the moment. When he turned around, Edberg was no longer there, and he realized that he was supposed to be sitting down.

McEnroe said again Tuesday that his plans included tennis for at least one more year, which means that he has probably not seen the last of Centre Court.

As for winning a championship there at age 33, he said: "Stranger things have happened."

— NICK STOUT

Graf and Fernandez First Into Semifinals

Edberg, Wheaton, Courier and Stich Win on Men's Side

By Nick Stout

International Herald Tribune

LONDON — Steffi Graf and Mary Joe Fernandez won their way Tuesday into Wimbledon's semifinals, but then the raincloud opened up, leaving the other two women's matches for another day.

Gabriela Sabatini was ahead of Laura Gildemeister, 6-2, 1-0, and Jennifer Capriati was leading Martina Navratilova, 6-4, 2-3.

In the men's draw, David Wheaton, less than 24 hours after upsetting Ivan Lendl, sent Jan Gunnarsson packing with a 6-4, 6-3, 6-1 triumph that put the unseeded Wheaton into the quarterfinals.

Jim Courier beat Karel Novacek, 6-3, 6-4, 6-2, setting up a date with Michael Stich when Stich beat Alexander Volkov, 4-6, 6-3, 7-5, 1-6, 7-5.

Stefan Edberg, the top seed and men's defending champion, defeated John McEnroe, 7-6 (7-4), 6-1, 6-4, while in two other suspended affairs, Guy Forget was leading Tim Mayotte, 6-7 (4-7), 7-5, 6-2, 4-3, and Thierry Champion was ahead of Derrick Rostagno, 6-7 (12-14), 6-2, 6-1, 3-6, 4-1.

Graf, the women's top seed, settled a year-old score in beating Zina Garrison, 6-2, 6-1. It was Garrison, the seventh-seeded Texan, who toppled Graf in the 1990 semifinals here before losing to Navratilova.

Now that her father has been vindicated in the famous paternity suit that had titilated the German public for months, much his daughter's distress, Graf seems poised to regain the championship that she held in 1988 and 1989. She has not lost a set in five matches so far.

"I'm a lot more eager than I was last year," she said. "I'm much fitter I think, and better concentrated on the court than I was last year. My mind is on the court, and that's what is important."

Fernandez squandered a couple of match points at 5-4 before she finally overcame Arantxa Sánchez Vicario, 6-2, 7-5.

On the first match point, Fernandez served and volleyed and missed by a couple of inches.

"In the next one she hit a good return of second serve," Fernandez said, "so I don't think I gave it away or anything."

After she had won the match and could look to the future, Fernandez spoke about her match with Graf, whom she has never beaten.

"I played her here a few years back," she said, "and I think I've improved since then. I think I have a good chance."

Less certain is whether the quiet, soft-tempered Fernandez can be as ferocious as Sánchez — who humiliated Graf at the French Open — would have been.

Fernandez, who, like so many others, has turned to the ubiquitous Romanian Davis Cup star Ion Tiriac for coaching, had lost to Sánchez three times previously, twice in the French Open. The grass court here made the difference, she said.

"I have a bit more of an advantage because my grass strokes penetrate better," she said. "I mixed it up. I didn't let her get into any groove."

Courier, the men's No. 4 seed, wasn't in a groove either, but he was pleased with his victory over Novacek.

"I didn't feel I volleyed as well today as I did in the other matches," he said. "I think that was due to Karel's returns. But I think that my transition into the net game has been a lot quicker and easier than I thought it would be, and I think that's probably due to the fact that I have been working on my volleys every day all year long."

Courier defeated Stich in the semifinals of the French Open last month, but he will probably find him harder to deal with here.

A hard-serving German with a good volley, Stich delivered 25 aces and pulled out of a 3-5 deficit in the fifth set in beating Volkov.

"Michael's game is definitely better for grass than clay," Courier said. But he pointed out that "the courts are bouncing a lot higher now," making it easier to return serve and score on passing shots.

Wheaton, although he didn't have much time to sit and savor his defeat of Lendl, rolled over Gunnarsson and the 22-year-old Minnesotan will have the advantage of a day's rest when he plays either Andre Agassi or the unseeded Jacco Eltingh.

Agassi and Eltingh, like Boris Becker and Christian Bergstrom, never got a chance to start their matches Tuesday. If one of these men gets into the final on Sunday, he will be playing four best-of-five set matches in five days.

Courier, 20, raised some eyebrows Tuesday when he confessed to an unusual self-image.

"I look at myself as a Lendl on grass," he said. "Not comfortable, but one who can play well on it at times."

Asked why he would say that in light of all the frustration Lendl has had at this tournament, the French Open champion shot back:

"There's no shame in Lendl's record. That's for sure. I would be more than happy to take a couple of finals and a few semifinals. There are a lot of people who would envy that record, including myself."

Dave Caulkin/The Associated Press

Steffi Graf, the top women's seed, belted seventh-seeded Zina Garrison, 6-1, 6-3, to gain the semifinals and a bit of revenge for her loss to Garrison in the same round last year. Second-seeded Gabriela Sabatini had won the first set of her match with Laura Gildemeister when rain halted play; third-seeded Martina Navratilova, the defending champion, had lost the first set to Jennifer Capriati but was leading in the second.

WIMBLEDON TENNIS

Maradona to Plead Guilty, Lawyer Tells Naples Court

Compiled by Our Staff From Dispatches

NAPLES — Diego Maradona, in an effort to have his sentence reduced, will plead guilty to charges he used and supplied cocaine, his lawyer said Tuesday, but at present cannot stand trial because he *is undergoing medical and psychological treatment in Argentina.*

Judges postponed the trial, which was to begin Tuesday, until Sept. 18.

Under new trial rules, defendants in Italy can gain reduced penalties if they don't contest the charges. But the former Napoli and Argentine national team captain, who has been banned from soccer for 15 months for using drugs, must appear in person to plead guilty.

Maradona, 30, was charged after a police investigation into a drugs and prostitution ring in Naples. On April 2, he flew home to Argentina, and 24 days later was arrested in a drug raid in suburban Buenos Aires. He was released on $20,000 bail after spending two days in jail.

Co-defendants Felice Pizza and Giuseppe Suarato pleaded guilty at Tuesday's hearing. They were given reduced prison terms of 16 months and fined three million lire ($2,000) each. *(Reuters, AP)*

An Era Ends in Lille During the Dash to Tokyo

By Sandra Bailey

International Herald Tribune

LILLE, France — A steady rain was falling in the darkness and a foggy mist settling in. But Carl Lewis could see clearly now, and what he was looking at was the end of an era.

To Lewis, his 10.20-second clocking in Monday night's 100-meter Mobil Grand Prix race looked like definitive proof that — straight up — he was always a better runner than Ben Johnson, his Canadian rival.

Johnson beat Lewis in the 1987 world championships in Rome, then again in the Olympic final in 1988, bettering the world record each time. But both marks were wiped out when Johnson tested positive for anabolic steroids in Seoul and, Monday, Johnson was timed in 10.46 in his race against Lewis.

"This night, we were able to show that drug heroes do not exist anymore, to return the focus to the athletes," Lewis said. "Basically, that's what this race was all about. The race was with clean athletes."

But the rest of the world saw something else here Monday: the passing of a baton in the unending relay of athletic succession. For neither Lewis nor Johnson was the victor, but instead a lesser-known American, Dennis Mitchell, who was fourth in that fateful race in Seoul. And who could forget that the world record holder over 100 meters did not even compete at that distance here?

"This is a very important step toward Tokyo," Mitchell, 26, said of his victory. Lewis ran second Monday, with Olapade Adeniken of Nigeria third and Johnson seventh in the eight-man field.

The world championships of track and field, or athletics, will be held in Tokyo in August. Then, Mitchell will face Lewis, record holder Leroy Burrell and, perhaps, Johnson, who needs to finish in the top three in the Canadian championships to qualify.

"I'll be there," Johnson said.

But will he be able to truly compete then, or ever again, as he did before his two-year ban for drug use? He is 29, time rapidly running out in the lifespan of a sprinter, and clearly not the athlete he was before his banishment, when his 9.79-second rush to gold dazzled the world.

"It's going to take a while for my mind to come back," Johnson admitted.

Few expect that either Johnson or Lewis, who turned 30 Monday after a decade of bolting headlong out of the starting blocks, will have the luxury of much more time. Burrell, 24, ran a record 9.90 seconds in the 100 in the U.S. championships in New York, where Lewis clocked 9.93. Burrell said he was only just beginning.

Burrell and Lewis run on the same team, the Santa Monica Track Club in California, and not coincidentally said they will alternate running in the 100 and 200 meters in upcoming meets. It is all part of a training plan, both said, although it is true that the more uncommon the meeting the larger the appearance fee the matchup will command for both.

No one was asking why Lewis wasn't running here in the 200 meters, one of the races in which he has won Olympic gold and still holds the American record. Instead, the questions were about why Michael Johnson of the United States was running only the 400 meters when he was best in the world in the 200 last year.

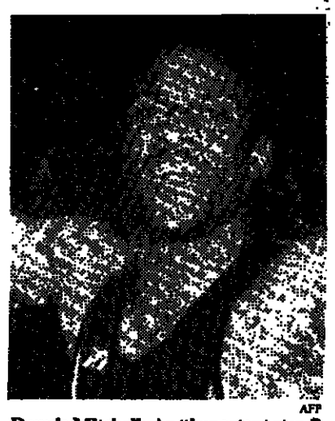
"I wonder a little bit what his intentions are," Burrell said.

Burrell won the 200 meters here and Michael Johnson the 400 meters. Lewis and Ben Johnson were each paid $250,000 for what may have been a last hurrah, shouted into a cold and soaking night before a crowd of 25,000 screaming French and Belgian fans.

The crowd roared far louder for Johnson than for Lewis, and Johnson was asked later what he would say if he could speak directly to the thousands of children who huddled under umbrellas, watching and waving flags and cheering. Johnson said he was touched, and that it was typical, that he had received 25,000 letters from children during his ban.

Yes, a British questioner said, but what would you say to the children about drugs?

"Don't make the mistake with drugs," Johnson said finally, "cocaine and things like that, you know."



AFP

Dennis Mitchell: An "important step."

In Havana, the Rush for Games Has Workers Grumbling

By Howard W. French

New York Times Service

COJIMAR, Cuba — Seven days a week, often late into the night, workers can be seen ferrying truckloads of earth, welding steel beams and laying tiles at the huge seaside athletic complex here that is being rushed into readiness.

Despite being strapped with what the government has called the worst economic crisis since Fidel Castro seized power in 1959, Cuba has staked its prestige on the successful hosting of the Pan American Games and with less than five weeks to go before their start is engaged in a frantic and costly race to complete their preparation.

Castro has repeatedly called the games a "sacred commitment that we must honor," vowing that nothing will be allowed to tarnish the country's image.

But for many Cubans who must ride bicycles to work through the summer rains because of a lack of public transportation and wash with plain water for lack of soap, the construction of 27 new sports-related installations in the Havana area alone speaks of the government's insensitivity to more pressing popular concerns.

On the streets of Havana, where long lines of citizens awaiting rationed food can be seen all day, the investment in the games has become the subject of wry jokes.

"We want the Pan Americans all right," said one university student. "We want pan," or bread, "and the Americans."

Although most of the new arenas are largely complete, much finishing work remains, and the down-to-the-wire approach has led many to question whether the kinks can be worked out by the opening festivities on Aug. 2.

The rush has been particularly grating for the 8,000 workers employed in the project, who foreign diplomats say have been regularly subjected to directives from Communist Party officials and bureaucrats who descend on the worksites to decree alarmingly imminent deadlines.

Diplomats said that the pressures on the workers have led to angry confrontations, with workers rejecting some targets as unrealistic and denouncing the authorities for leading privileged lives in comfortable Havana suburbs while they sweat out 12-hour days in the hot sun.

During a guided tour for journalists at one construction site, workers heatedly refused the instructions of one official to clear away debris strewn in a pathway so that journalists could proceed.

Returning angrily to the limousine, the official said the obstruction had been created deliberately to keep visitors away.

Cuban officials acknowledge the pressures on workers involved in the project are great, but say the games are a source of immense national pride.

Moreover, they say, workers involved in many of the construction projects belong to "micro-brigades," or special construction crews introduced two decades ago who, unlike most Cuban workers, have material incentives for productivity.

Many of the 1,403 apartments built to host the expected 5,200 athletes, for example, will later be occupied by these workers.

Even as they decline to provide details on their cost, saying only that it amounts to no more than 1 percent of the country's budget, senior party officials have strenuously defended the decision to proceed with plans to host the games.

"We hope to celebrate games that don't distinguish themselves by their luxuriousness, but by their efficiency and seriousness," said José Ramón Fernández, vice president of Cuba's Council of Ministers, who dismissed reports that the construction projects had cost as much as $500 million.

■ Castro: Shut Off by Moscow

Castro said Monday that Cuba was having to "practically do miracles" to keep going because vital raw materials had not arrived from the Soviet Union, Reuters reported from Havana.

Castro told mining, chemical and energy workers in Havana that, except for oil, Cuba had received virtually "not a single ton" of raw materials in the first five months of 1991.

"This has forced us to practically carry out miracles to keep our country going," he said in remarks broadcast by the state-run Radio Rebelde.

SIDELINES

IAAF Group Optimistic on Pretoria

JOHANNESBURG (Reuters) — An international athletics delegation said Tuesday it was optimistic that disputes among local officials blocking South Africa's return to world competition could be cleared by Friday.

Lamine Diack, leading a five-day visit by a group from the International Amateur Athletic Federation, said "we hope that by Friday we can say that the new body in South African athletics is ready to return to the world scene." Diack will report his findings to an IAAF meeting Saturday in Rome.

Las Vegas: Another Charge Reported

LOS ANGELES (AP) — The National Collegiate Athletic Association reportedly has charged Nevada-Las Vegas with rules violations in the recruitment last year of high school basketball star Ed O'Bannon.

The charges are included in an NCAA supplemental letter of official inquiry received Friday by the university, the Los Angeles Times reported in Tuesday's editions. UNLV's president, Robert Maxson, acknowledged receiving the letter, but would not comment on its contents.

Courier, Agassi on Davis Cup Team

NEW YORK (AP) — French Open champion Jim Courier and runner-up Andre Agassi will play singles matches for the United States in the Davis Cup semifinal series against Germany.

Rick Leach and Jim Pugh, 6-0 as a Davis Cup team, will play the doubles matches, the U.S. Tennis Association said Monday. The semifinal, Sept. 20-22 in Kansas City, Missouri, will be played indoor on an red clay surface, the same used at the French Open.

For the Record

Ferrari said Tuesday it will race its new, more powerful 643 car in Sunday's Grand Prix of France. *(AP)*

Port Pendennis, the British syndicate, has withdrawn from the 1992 America's Cup because of a lack of money. *(AP)*

The World Boxing Council likely will order a rematch of the super featherweight title fight between Azumah Nelson and Jeff Fenech, its president, José Sulaiman, said Tuesday. *(AP)*

The Ivy League said it will allow freshmen to begin playing varsity football in 1993 to save money through the elimination of freshman programs and reduction of the number of recruits. *(AP)*

Fernando Valenzuela received doctors' approval to resume pitching for the California Angeles after tests showed a coronary artery condition is not restricting the flow of blood to his heart muscle. *(UPI)*

Howard Cosell, 73, the ABC sports commentator, underwent further chest surgery as part of his treatment for cancer, a statement from his family said Tuesday. *(AP)*

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

East Division	W	L	Pct.	GB
Toronto	44	33	.571	—
Boston	38	36	.514	4½
Detroit	37	38	.493	6
New York	34	38	.472	7½
Milwaukee	34	40	.459	8½
Baltimore	31	43	.419	11½
Cleveland	24	49	.329	18
West Division				
Minnesota	45	32	.584	—
California	42	33	.560	2
Texas	39	32	.549	3
Oakland	41	35	.539	3½
Chicago	39	35	.527	4½
Seattle	39	37	.513	5½
Kansas City	34	40	.459	9½

NATIONAL LEAGUE

East Division	W	L	Pct.	GB
Pittsburgh	45	28	.616	—
St. Louis	41	34	.547	5
New York	40	34	.541	5½
Chicago	35	41	.461	11½
Montreal	33	43	.434	13½
Philadelphia	32	44	.421	14½
West Division				
Los Angeles	45	29	.608	—
Cincinnati	41	33	.554	4
Atlanta	37	36	.507	7½
San Diego	36	39	.494	8½
San Francisco	33	42	.440	12½
Houston	29	46	.387	16½

Monday's Line Scores

AMERICAN LEAGUE

Seattle 010 000 200—3 7 3
Toronto 000 100 003—4 4 3
R. Johnson, M. Jackson (9), Murphy (9) and Valle; Wells, Acker (9) and Borders. W—Acker, 2-4. L—M. Jackson, 4-3. HRs—Seattle, Powell (1), Valle (4). Toronto, White (3).

Detroit 000 000 002— 2 5 0
Baltimore 300 430 00x—10 10 0
Gaetzer, Caruth (4), Searcy (5), Munoz (7) and Tettleton, Solas (5); McDonald, Klipus (9) and Hoiles. W—McDonald, 3-3. L—Gaetzer, 1-2. HRs—Baltimore, C. Ripken (10), Horn (12), Gomez (4), Segui (2).

Cleveland 110 000 000—2 7 2
New York 102 030 00x—6 11 1
Swindell, Shaw (5), Orosco (7) and S. Alomar; Sanderson, Guetterman (4) and Geren. W—Sanderson, 9-3. L—Swindell, 4-7. Sv—Guetterman (4). HRs—Cleveland, Whitten (3). New York, Barfield (16), Mass (14).

Boston 102 102 000—6 10 1
Milwaukee 000 000 000—0 5 0
Clemens, Gray (8) and Pena; Navarro, Machado (6) and Surhoff. W—Clemens, 10-5. L—Navarro, 7-5. HR—Boston, M.Vaughn (12).

Chicago 000 100 030 1—5 6 1
Minnesota 000 102 010 0—4 10 0
(10 innings)
Garcia, M. Perez (6), Patterson (7), Radinsky (8), Thigpen (8) and Fisk; P. Abbott, Bedrosian (7), Aquilera (8), Willis (10) and Harner, Ortiz (10). W—Thigpen, 5-2. L—Willis, 2-2. HRs—Chicago, Fisk (6), Minnesota, Puckett (11).

Kansas City 000 200 041—7 11 1
Oakland 000 100 020—3 5 2
Boddicker, Montgomery (8) and Mayne; Hawkins, C. Young (8), Chitren (8) and Steinbach. W—Boddicker, 7-4. L—Hawkins, 2-5. Sv—Montgomery (15). HRs—Kansas City, Shumpert (4). Oakland, Baines (10).

Texas 001 000 100—2 6 0
California 000 200 22x—4 10 0
K. Brown, Mathews (8), Rosenthal (8) and Rodriguez; Langston, Harvey (8) and Parrish. W—Langston, 12-2. L—K. Brown, 6-6. Sv—Harvey (21). HRs—Texas, Buechele (12). California, Winfield (17), Parrish (9).

NATIONAL LEAGUE

New York 003 000 001—4 7 2
Montreal 000 000 110—2 10 1
Viola, Innis (8), Franco (9) and Cerone; M. Gardner, Plati (7), Frey (9), Burke (9) and Reyes, Fitzgerald (7). W—Viola, 9-5. L—M. Gardner, 3-5. Sv—Franco (16). HR—Montreal, Owen (2).

St. Louis 000 010 000—1 10 0
Philadelphia 000 000 000—0 4 1
B. Smith, Carpenter (8), Le. Smith (9) and Pagnozzi; Ruffin, Bonner (9) and Daulton. W—B. Smith, 7-4. L—Ruffin, 1-1. Sv—Le. Smith (21).

Pittsburgh 200 011 100 000 0—5 13 1
Chicago 000 200 021 000 1—4 14 1
(13 innings)
Walk, Heaton (6), Peiotos (8), Patterson (8), B. Landrum (9), Kipper (11), Bellindo (13) and LaValliere, Slaught (10); Castillo, Slocumb (8), Assenmacher (9), Scanlon (11) and Wilkins, Berryhill (9). W—Scanlon, 3-2. L—Bellindo, 3-2. HRs—Pittsburgh, Van Slyke (7). Chicago, Sandberg (13), Walton (3).

Japanese Baseball

Central League

	W	L	T	Pct.	GB
Chunichi	37	22	1	.425	—
Yakult	37	26	1	.586	2
Yomiuri	36	30	0	.545	4½
Hiroshima	29	36	1	.527	8
Taiyo	28	36	1	.439	11½
Hanshin	18	45	0	.286	21

Tuesday's Results
Yomiuri 4, Yakult 1
Taiyo 4, Hanshin 3
Chunichi at Hiroshima, ppd., rain

Pacific League

	W	L	T	Pct.	GB
Seibu	39	22	2	.435	—
Kintetsu	37	26	0	.587	3
Daiei	36	27	0	.526	7
Nippon Ham	30	35	1	.462	11
Orix	29	34	1	.461	11
Lotte	28	42	0	.333	19½

Tuesday's Results
Orix 3, Seibu 0
Kintetsu 6, Nippon Ham 1
Lotte vs. Daiei, ppd., rain

TENNIS

Wimbledon

Men's Fourth Round

Jim Courier (4), U.S., def. Karel Novacek (14), Czechoslovakia, 6-3, 6-4, 6-2; Stefan Edberg (1), Sweden, def. John McEnroe (16), U.S., 7-6 (7-4), 6-1, 6-4; Michael Stich (6), Germany, def. Alexander Volkov, Soviet Union, 4-6, 6-3, 7-5, 1-6, 7-5; David Wheaton, U.S., def. Jan Gunnarsson, Sweden, 6-4, 6-3, 6-1.

Matches halted by rain: Thierry Champion, France, vs. Derrick Rostagno, U.S., 6-7 (12-14), 6-2, 6-1, 3-6, 4-1; Guy Forget, 7, France, vs. Tim Mayotte, U.S., 6-7 (4-7), 7-5, 6-2, 4-3.

Women's Quarterfinal

Steffi Graf (1), Germany, def. Zina Garrison (7), U.S., 6-1, 6-3; Mary Joe Fernandez (5), U.S., def. Arantxa Sanchez Vicario (4), Spain, 6-2, 7-5.

Matches halted by rain: Jennifer Capriati, 9, U.S., vs. Martina Navratilova, 3, U.S., 6-4, 2-3; Gabriela Sabatini, 2, Argentina, vs. Laura Gildemeister, Peru, 6-2, 1-0.

BASEBALL

American League

TEXAS—Activated Brian Bohanon, pitcher, from 60-day disabled list and optioned him to Oklahoma City, American Association.

National League

PHILADELPHIA—Put Roger McDowell, pitcher, on 15-day disabled list. Recalled Amalio Carreno, pitcher, from Scranton-Wilkes-Barre, International League.

BASKETBALL

National Basketball Association

ATLANTA—Traded Spud Webb, guard, and a 1991 second-round draft pick to Sacramento for Travis Mays, guard. Did not tender qualifying contract to Moses Malone, center.

BOSTON—Tendered qualifying contract to Kevin Gamble, forward. Did not tender qualifying contracts to Dave Popson, forward, and A.J. Wynder, guard.

CHICAGO—Will exercise option on contract of Cliff Levingston, forward. Tendered qualifying contracts to Bill Cartwright, center; John Paxson, guard; and Scott Williams, forward.

CLEVELAND—Tendered qualifying contracts to John Morton, guard, and Henry James, forward. Did not tender qualifying contracts to Gerald Paddio, guard, Miles Bobic, center, and Derrick Chievous, guard.

DALLAS—Tendered qualifying contracts to John Shasky, center; Kelvin Upshaw, guard; and Jim Grandholm, forward. Did not tender qualifying contract to Steve Alford, guard.

DENVER—Traded Blair Rasmussen, center, to Atlanta for rights to Anthony Avent, forward. Traded to rights to Avent to Milwaukee for rights to Kevin Brooks, forward; a second-round draft choice in 1994; and other considerations.

HOUSTON—Tendered qualifying contracts to Kenny Smith and Kennard Winchester, guards, and David Wood and Matt Bullard, forwards. Did not tender a qualifying contract to Dave Feitl, center.

LOS ANGELES—Tendered qualifying contract to Tony Smith, guard. Did not tender qualifying contract to Irving Thomas, forward.

MIAMI—Tendered qualifying contracts to Sherman Douglas and Kevin Edwards, guards. Did not tender qualifying contract to Terry Davis, forward.

NEW YORK—Tendered qualifying contract to John Starks, guard. Did not tender qualifying contracts to Kenny Walker, forward, and Greg Grant, guard.

PHILADELPHIA—Will not exercise option on contract of Rick Mahorn, forward.

FOOTBALL

National Football League

NEW YORK JETS—Signed Mike Riley, cornerback.

PHOENIX—Signed Al Del Greco, placekicker.

SAN DIEGO—Signed Joe Weinberg, wide receiver.

National Hockey League

NEW YORK ISLANDERS—Signed Wayne McBean, defenseman, to multi-year contract, and Randy Hillier, defenseman, to two-year contract.

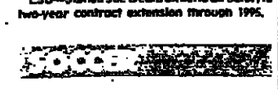
COLLEGE

ADELPHI—Named Kevin Sheehan lacrosse coach.

BROWN—Named Dave Siepert assistant basketball coach.

DARTMOUTH—Named Kevin Lempo and Kevin Kelly assistant football coaches.

LSU—Signed Joe Dean, athletic director, to two-year contract extension through 1995.



CONCACAF GOLD CUP
Group B
Trinidad and Tobago 2, Costa Rica 1
United States 3, Guatemala 0

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OBSERVER

Habeas G-Stringus

By Russell Baker

NEW YORK — Why is the Supreme Court so interested in the human body? Don't those old-timers think of anything but abortions, G-strings and love between consenting homosexuals?

The answer is, they would like to. Most of them yearn for the old days when Supreme Courts were so busy declaring Franklin Roosevelt unconstitutional that they didn't have time to keep an eye on the human body.

In those days of course Americans were more circumspect about their bodies. Men wore three-piece suits to baseball games. And snap-brim hats!

Admittedly, after the Fourth of July every year, some men popped up in the bleachers wearing straw hats. Since the Supreme Court was always away on summer vacation by July 4, men thought that in high summer they could get away with licentious headgear, thus proving the wisdom of Blackstone's dictum. "Cattibus absentibus, rodenti cavorti." ("When the cat's away, the mice will offend community standards.")

□

The court was obviously prepared to crack down on this suggestive display of the male skull 30 years ago when it agreed to hear the case of Mulcahy v. New York Yankees.

Mulcahy, clad above the waist in nothing more than a sleeveless undershirt and a straw skimmer, had tried to buy a ticket to a Yankees game. Fearing Mulcahy's casual dress threatened the boardroom decorum which in those days prevailed at Yankee Stadium, the Yankees refused him a ticket. Mulcahy sued.

This gave the court its first opportunity in years to apply the Constitution to body garb instead of Franklin Roosevelt, but unfortunately, John F. Kennedy, who never wore a hat in public, was suddenly elected president.

So many American men immediately adopted Kennedy's no-hat-at-all style that the court quashed Mulcahy v. Yankees under the doctrine of "in hurricano non expectorandum est" ("Always go with the flow").

□

In recent years, with Franklin Roosevelt declared not only thoroughly unconstitutional but also dead, the court has been able to get back to one of its prime duties: keeping the Constitution firmly applied to the human body.

The court's obligation to do this is derived from the ancient writings of Hammurabi, who declared. "Any constitution that cannot be applied to the human body as rigorously as a mustard plaster is not worth the stone it's hieroglyphed on."

In the 18th century this principle was written into the U. S. Constitution along with that other great doctrine known as habeas corpus. As everyone knows, habeas corpus is Latin, meaning "You have the body."

What a magnificent grant of individual freedom is embedded in that simple statement to each and every one of us: "You have the body."

How misled are those impetuous people who say, "All right, if I have the body, why can't I do what I want with it?" What a perversion of habeas corpus such self-indulgent license would be. Sure you have the body, but does that give the body the right to cry "Fire!" in a crowded theater?

No, having the body does not free us from the obligation to make the body behave constitutionally.

In short, habeas corpus is modified by the doctrine of "magnus manus shakus," which vulgarians translate to mean "Big deal!" The proper meaning of course is. "You have the body, but what you can do with it is up to the Supreme Court."

□

Just the other day the court had to deal with one of those typical skull-busters the human body is constantly presenting the Constitution these days.

Strip-teasers somewhere in Indiana were not wearing the local idea of minimal dress. Indiana wanted to know where the Constitution stood. Was their dress code constitutional, or wasn't it?

In the old days the court would have had to tell Indiana, "You're over-excited about the deplorable but everlasting American love of stupefying vulgarity, and we're too busy finding Roosevelt unconstitutional to fiddle with you right now."

Things are different nowadays, so the court had time to invoke the principle of "habeas G-stringus," thus putting Madison and Hamilton firmly behind filmy whatnots. What a document they wrote!

New York Times Service

Art and Japan's Trade Balance

By Jo Ann Lewis
Washington Post Service

WASHINGTON — He could be the richest artist in Japan — maybe one of the richest in the world. Some call him the Japanese Andrew Wyeth.

It's a comparison he likes. "He's one of my favorite artists," says Ikuo Hirayama, 61, who came to the new Japan Information and Culture Center gallery last week to check out his show of watercolors, and then sat down for an amiable chat, not so much about his art as his dreams and benefactions.

Like that of Wyeth, Hirayama's art is traditional and evocative of the past, but a very different past: His are watercolor renderings of the Buddhas, stupas and pagodas along the 4,000-mile (5,400-kilometer), 2,000-year-old Silk Road, which linked ancient China with ancient Rome and — in the end — the cultures of Asia to Europe and to one another, ultimately bringing Buddhism to Japan.

Philosophically, Hirayama has more in common with Robert Rauschenberg, who also has spent millions trekking the world in the cause of global understanding and world peace. But Hirayama's philanthropy has had a more tangible public payoff: Last fall he gave $750,000 to the Smithsonian's Freer Gallery of Art, the United States's national museum of Asian art, and persuaded Nomura Securities and its cultural foundation to match it. (Nomura, now in the middle of Japan's big securities scandal, has already given most of its gift, with the remaining money to come in 1992.) The Freer is undergoing a major renovation due to be completed next year.

"Japan," says the artist, "is getting a bad name as an 'economic animal,' like the 'ugly American' of the past." He'd like to change that by encouraging the Japanese government and industrialists to support his efforts to preserve the crumbling cultural monuments of the world. "Japan has received so many benefits," said Hirayama through an interpreter. "It is now in a position to repay, and the time has come to do so."

His biggest, most expensive dream is to establish what he calls a "Cultural Red Cross" for the rescue, care and maintenance of Japanese art around the world. He has taken the first step by working out an agreement with the Freer that would provide funds to restore the museum's collection of Japanese paintings.

Meanwhile, through his Art Research Foundation, Hirayama continues to pour his own income from the sale of his works into the upkeep and conservation of artistic monuments such as Tun Huang, the most important Buddhist site in China. He has plans for a small museum and conservation facility there; construction will begin this fall. He also has given funds, with help from Unesco, to help save the monuments at Angkor Wat in Cambodia.

Hirayama says he sees his gifts to the Freer as "returning their respect for Japanese art." He admires the American way of preserving art from all cultures. He also admires the openness and ability of people in the United States to achieve through fair competition in sports, academics and business. "It's changing in Japan," he says, "but we have a long history and tradition, so it's very hard to change the structure — especially in fair competition."

His instincts for peace began early: He was 15 when he saw the atom bomb go off over Hiroshima, only two miles from where he was working as a conscript in the Japanese army. He saw the mushroom cloud, the light — "like the flash of a camera right in your face." He remembers the "yellow smoke," the radioactive dust, that disabled his immune system for 14 years. Nonetheless, he went on to distinguish himself as a student at the Tokyo National University of Fine Arts and Music, where he rose through the ranks to become dean and is now president.

"I recovered," he says, "because I gave myself entirely to Buddhism and to art." It was in pursuit of the roots of Buddhism that his interest in the Silk Road, with its great Buddhist monuments, was sparked. Since then, he has devoted himself largely to the preservation of the art and monuments along that road, not only in fact, but in his art. The most compelling works in his Washington show are the third-century Buddhas from India and Pakistan, which he has rendered with gold dust and delicate black line.

A few of these paintings, he says, ultimately may go into a Museum of the Silk Road, for which he has set aside funds to be used after his death. It would be located in Kamakura, where his house would be razed to provide land. The museum would contain the large collection of ancient art objects he has gathered over the years, with just a few paintings by him. "My work is not worthy of a museum," he says.

Hirayama says he will return all that he has received to society, and not to his two children. "I have told them this a number of times," he says, smiling. His son, 33, is a geologist; his daughter, 31, a poet.

"To my children," he says, "I will leave my honor."

Margaret Thomas/The Washington Post

Ikuo Hirayama with two of his watercolors of third-century Buddhas.

PEOPLE

A Tribute to Fonteyn

More than 2,000 people packed Westminster Abbey Tuesday to pay tribute to the life and work of the ballerina **Dame Margot Fonteyn**, who died in February. **Princess Margaret** represented her sister, the queen, and the dance world by 92-year-old **Dame Ninette de Valois**, former artistic director of the Royal Ballet, and **Antoinette Sibley**, president of the Royal Academy of Dancing, among others. Fonteyn died of cancer at the age of 71 in Panama, a year after her husband, **Roberto Arias**, whom she nursed after he was paralyzed in an assassination attempt in 1964.

□

Roseanne Barr was back in San Diego, where her tortured rendition of "The Star-Spangled Banner" caused an uproar last summer, but this time was different. She and her husband, **Tom Arnold**, visited the San Diego Center for Children, which treats physically and emotionally abused children. They were invited when the center's directors learned they would be in town for another appearance. At one point, Arnold said, "Come on, children, Rosie's going to sing for you." "Are you a singer?" a 6-year-old boy asked. "Yes, I'm a very famous singer," she replied. "Especially in San Diego."

□

Time Inc. Magazine Co. has named the first woman publisher in the history of the company's flagship magazine. **Lisa Valk**, who has been publisher of People magazine since October 1988, was named publisher of Time magazine. She was replaced at People by **Ann Moore**, who has been publisher of *Sports Illustrated for Kids* since that magazine was founded more than two years ago. Three of the company's seven major magazines now have women as publishers.

□

A heartfelt essay by **Phil Donahue**, syndicated to several newspapers, took the form of a letter to the late Sister Mary Andrew, a nun who touched his life in his Catholic school days in Cleveland in the 1940s. But the talk show host has acknowledged that while there was such a nun, her name was not Sister Mary Andrew, and that the handwritten note that appeared with the article was not, as the piece suggested, a reproduction of a 1953 inscription in a prayer book she gave him. Instead, Donahue said, he asked a woman at a nonprofit Catholic organization to write the inscription — which he reconstructed from memory — and to sign it "Sister Mary Andrew." He said he changed the nun's name after being told that her family did not want publicity about her recent death from breast cancer. He also changed the name of another nun mentioned in the piece. The matter came to light when **Sister Mary Ann Walsh**, a reporter for Catholic News Service, called the school in Cleveland and found there was no Sister Mary Andrew. "I just took the easy road and changed the names," Donahue said. "I'll tell you this — every name in there is a real person." But **Jake Morrissey**, an associate editor at Universal Press Syndicate, said the syndicate would send its clients a clarification. "While I appreciate his desire to protect the family, I would've liked to have known this at the outset," Morrissey said. "The newspapers need to know this is in fact a fictitious name."

□

Prince Claus, the German-born husband of **Queen Beatrix** of The Netherlands, has been hospitalized for depression, the government has announced. The government information service said the 64-year-old prince was admitted to the psychiatric department of Bronovo Hospital on Monday. He was described as suffering from a "recurrence of complaints of a depressive nature." He has a history of depression-linked disorders, which were acknowledged publicly in 1982.

□

Jacques Lacarrière, author of novels and essays on ancient Greece, on Tuesday won the richest prize awarded annually by the Académie Française. Lacarrière, 66, won the 300,000-franc ($50,000) literary award for the ensemble of his writing, which includes novels, essays on the poetic links between modern and ancient Greece, and translations of **Sophocles** and **Herodotus**. The Académie awarded its annual philosophy prize to a University of Chicago professor, **Paul Ricoeur**, 78, for his book "Oneself As Another." A prize in theater went to **Jean-Claude Grumberg** and a cinema prize went to **Yves Robert** for his adaptations of the works of **Marcel Pagnol**.

TODAY'S
BUSINESS MESSAGE CENTER
Appears on Page 6

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